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2 Media Giants Seal European TV Alliance

Murdoch and Germany's Kirch Take Aim at a $5 Billion Market

By Alan Friedman
International Herald Tribune

PARIS — Rupert Murdoch and Leo Kirch, two of the world's most potent media tycoons, joined forces on Monday in a surprise alliance that will try to dominate Europe's biggest pay-television market.

The partnership, which will beam satellite television programming down to households in Germany, effectively now divides the lucrative $5 billion-a-year European pay-TV market between two dominant competing camps. The new technology will bring European viewers a multiplicity of new channels and better-quality reception that also costs less.

Monday's move also transforms Mr. Murdoch and his BSkyB group into the bitter rival of some of the media groups with whom he was allied just weeks ago.

One of these former allies-turned-rivals is Bertelsmann, Germany's leading media group, which on Monday sealed a deal of its own with the Luxembourg-based CLT to merge a range of television and radio interests in several countries.

While Mr. Murdoch's British-based BSkyB and the Kirch Group in Germany were joining forces Monday, BSkyB was also signaling that it had definitively pulled out of its broader alliance with Bertelsmann and Canal Plus and Havas of France.

The new moves, analysts said, mean that the war for pay-TV viewers in Europe has now been joined. In this battle, a handful of multibillion-dollar media companies are trying to position themselves to take advantage of the birth of hundreds of new digital TV channels in the next few years.

The reason for all of the excitement is that digital television offers improved images and CD-quality sound, which is based on the technology that compresses as many as 10 separate channels into the same space used to transmit just one.

For consumers, this is likely to bring benefits in terms of the range of programs on offer and the price.

As the cost of broadcasting is reduced and the number of channels available rises, pay-TV based on digital technology is expected to dominate future viewing habits, whether the picture is received by way of a small satellite dish or by cable.

The key elements of pay-TV are likely to include movies, sports and specialty programming.

In France, Canal Plus has already launched pay-TV services, while in Italy a company partly held by Silvio Berlusconi, Telepiù, is also entering the market.

The original Bertelsmann-BSkyB-Canal Plus alliance planned to use Germany as a launching pad for moves into other digital TV markets. Now, BSkyB, which has 5.2 million subscribers, plans to take a stake of "up to 49 percent" in Mr. Kirch's German digital group DF1 and to buy as well into a sports channel.

The strength of BSkyB and the Kirch Group combined is also enhanced thanks to the fact that each controls some of the biggest movie libraries and sporting events rights in European television. Just a week ago, Mr. Kirch paid

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India Leads World In HIV Infections

India has quickly emerged as the country with the largest number of people infected with the AIDS virus, only a few years after it was first detected there, the head of the United Nations AIDS program said at the 11th international conference in Vancouver. Page 9.

Drug Millions Flood Mexico, Polluting Life And Politics

By Molly Moore
and John Ward Anderson
Washington Post Service

MEXICO CITY — Amparo Solis Espinoza is a 79-year-old retired government clerk from a poor neighborhood here in the capital. But on paper, she is one of Mexico's wealthiest widows, with numerous planes, luxury homes and a fortune valued at hundreds of millions of dollars.

The diminutive, gray-haired Mrs. Solis has an incredible explanation for her riches, which include a $25 million Acapulco mansion once owned by the shah of Iran and a private jet bought from Ross Perot — complete with a set of his monogrammed china.

A few years ago, she said in a U.S. court deposition, she looked into a chest that had sat in her government-subsidized apartment for 40 years and discovered a treasure of gold coins and jewelry left by her late husband.

But U.S. and Mexican law enforcement officials have a different theory. The grandmotherly Mrs. Solis, they charge, is one of the many "straw company" fronts set up to launder hundreds of millions of dollars in drug proceeds for Mexico's wealthiest and most powerful drug mafia, the Juárez cartel.

And while one prosecutor involved in the case described Mrs. Solis's tale as "inexcusable silliness," it demonstrates how massive laundering of drug money is distorting business, politics and lives in Mexico.

Thanks to the fast growing wealth of the Mexican drug organizations, the growing availability of high-tech electronic financial transactions, loopholes in money-reporting laws of Mexico and the United States and deepening economic ties between the countries, there is a brisk expansion of Mexico's importance as a center for illicit recirculation and investment of narcotics profits.

With financial empires on both sides of the 2,000-mile (3,600-kilometer) border, drug lords — sitting atop a $30 billion-a-year business, according to the Mexican attorney general's office —

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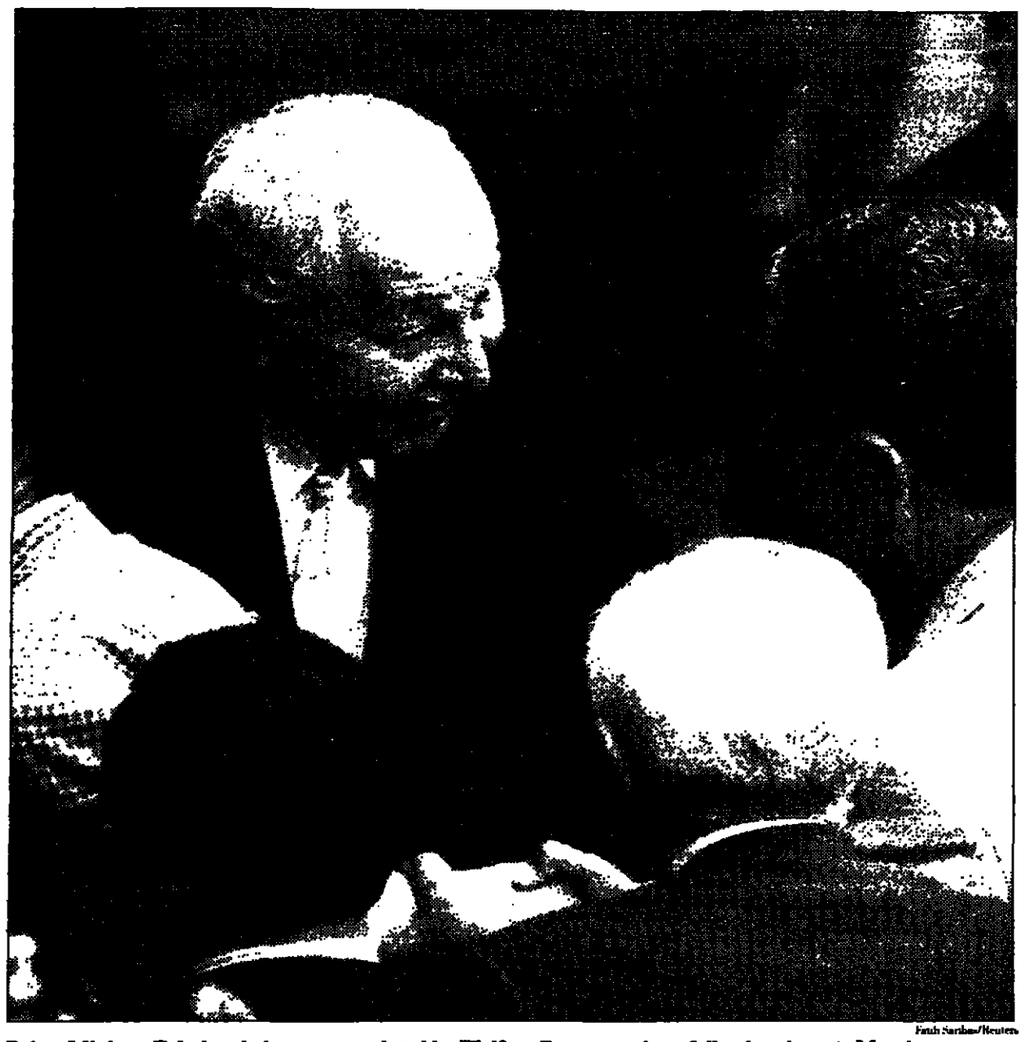

Fitch Sarihan/Reuters

Prime Minister Erbakan being congratulated by Welfare Party members following the vote Monday.

Islamists Win Backing In Turkish Parliament

Coalition Leader Has Vowed to Restore Muslim Dominance

By Kelly Couturier
Washington Post Service

ANKARA — The Turkish Parliament gave the green light Monday to the country's first Islamic-led government in a vote of confidence that ended the secular elite's 73-year monopoly on Turkish politics.

The coalition government of Necmettin Erbakan was approved by a vote of 278 to 265, a majority of three votes in the 550-seat assembly.

Mr. Erbakan, leader of the Islamic Welfare Party, beamed as supporters lined up to congratulate him after the vote, kissing him on both cheeks or kissing his hand in a traditional Turkish sign of respect.

In a speech following the vote, the veteran politician congratulated the "65 million Turks for at last getting a government capable of addressing their problems."

He thanked his supporters, including former Prime Minister Tansu Ciller, whose center-right True Path Party agreed last week to be the coalition partner the Islamists have been seeking for months.

Ten members of Mrs. Ciller's party failed to support her in Monday's confidence vote, including the outgoing Foreign Minister Emre Gonensay, and have said they will resign from the party, leaving the government with a very slim margin of support.

After Mr. Gonensay announced his "no" vote, some pushing and shoving broke out in the True Path seats in Parliament, and after the vote, fighting was reported in the corridors between True Path members and between opposing members of other parties.

Mr. Erbakan was named prime minister last week after announcing a coalition with Mrs. Ciller's party.

Once prime minister, the Islamist leader almost immediately dropped his impassioned anti-Western rhetoric and radical campaign promises to pull Turkey out of NATO, create an Islamic United Nations and replace the Turkish lira with an Islamic dinar.

Instead, Mr. Erbakan, 70, announced a government program that reaffirms the status of Turkey as a "democratic, secular and social state of law" and stipulates that Turkey will maintain its ties to the West and its free-market

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From U.S. Consumers: Spend and Spend

They Defy Warnings That Their Spree Can't Last Much Longer

By Richard W. Stevenson
New York Times Service

NEWS ANALYSIS

WASHINGTON — President Bill Clinton claims the credit for himself, and analysts cite an array of other possible factors, but the most important source of the U.S. economy's remarkable resilience and vibrancy this year appears to be the consumer.

For most of this year, Americans have been spending prodigiously on homes, cars, refrigerators and dinners out, continuing an aging economic expansion that as recently as January seemed in danger of expiring. In the process, they have largely ignored warning signs that they are becoming overextended.

The consumer spending spree was a major force in the surprisingly robust economic data released Friday, economists said. The Labor Department estimated that the economy created 239,000 jobs in June, far more than expected, making that month the fifth consecutive one with strong employment gains. The unemployment rate now stands at 5.3 percent, the lowest level in six years, and the pace of economic expansion is so rapid that it has revived fears of inflation.

Dow Jones	Trib Index
Down 37.31	Down 0.65%
5550.83	136.55

The Dollar

New York	Mon. close	previous close
DM	1.5258	1.5273
Pound	1.5548	1.5576
Yen	110.77	110.80
FF	5.1652	5.1619

Among the industries showing the biggest gains were retailing, which added 75,000 jobs in June, nearly half of them in what the government classifies as eating and drinking places.

Job growth was also strong at car dealers, gas stations, hotels and stores selling building materials, garden supplies and home furnishings. Employment in construction was up by 23,000, reflecting in part the continued strength of home building.

"Consumer spending is two-thirds of gross domestic product, and consequently without consumer spending supporting it you cannot have substan-

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George Karchalis/Reuters, Oliver Nilsson/The Associated Press

HEAT/COLD WAVE — A woman splashing herself with fountain water in sweltering Athens as the temperature topped 40 degrees centigrade. But in the Alps, the ninth stage of the Tour de France bicycle race was shortened because of snow, cold and high winds. Page 20.

AGENDA

Cuban Officer Hijacks Airliner

WASHINGTON (AP) — A Cuban military officer hijacked a plane carrying 16 people, forcing it to fly to the U.S. Naval Base at Guantánamo Bay, the Pentagon said Monday.

The hijacker, Lieutenant Colonel José Fernández Pupo, was being interviewed by U.S. officials. The plane later was permitted to leave the base.

The incident occurred Sunday around 3 P.M. after the flight left Santiago in eastern Cuba.

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Clinton's Mr. Fix-It for Bosnia

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Polish Chief, in U.S., Offers Role of Regional Stabilizer

By Christine Spolar
Washington Post Service

WARSAW — He does not hesitate to call Wojciech Jaruzelski, Poland's last Communist leader, for advice on Russia. He knocks back vodka with Adam Michnik, a famed prisoner of Solidarity days, to get an earful on NATO.

He has quipped with Sting, has waltzed to make a nimble point about Jewish-Polish relations and, in an off-guard moment, has been caught kicking a soccer ball about his gilt-daubed offices.

President Aleksander Kwasniewski, six months in office, brings to the United States this week a fresh picture of Poland as well as his keen sense of Eastern Europe's energy for reform, consensus and progress.

In his first meeting at the White House on Monday, the 41-year-old former Communist was expected to argue for a date for Poland's entry into the North Atlantic Treaty Organization, a move designed to recast the image of this region's largest democracy — and of himself.

The next day, he will talk to Defense Secretary William J. Perry about Poland's military and the best possible terms for buying multipurpose fighter aircraft, most likely F-16s or F-18s, that meet NATO standards.

"I think we have a special role," Mr. Kwasniewski said in an interview. "Poland has not just done a lot to create a stable democracy here but, as a country of 40 million people, we see ourselves playing the role of a stabilizer in the region."

"Good cooperation is not just good for Poland," he said, referring specifically to Russia. "It's good for Europe and the West. You can sleep easy with us here."

Mr. Kwasniewski, a politician who likes to blend serious points with smooth, wry humor, is seen by many as the success story of a breed of Social Democrats who rose from the ruins of communism.

The youngest member of the Communist government that fell in 1989, he was pivotal in salvaging its reform-

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Newsstand Prices			
Bahrain	1.000 Din	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	£E 5	S. Africa	R10 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 150	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim $30.00

An Eye-Opening, Inside Look at Japan's Prisons

By Sheryl WuDunn
New York Times Service

TOKYO — Three months after being put in a Japanese prison, Kevin M. Mara was about to sit down to a meal when the jailer called out his name.

Mr. Mara, 32 and Connecticut-born, says he then made a horrible mistake: he opened his eyes and looked up. That apparently broke a rule that before eating, each inmate should close his eyes and look downward.

And so, Mr. Mara's lawyers say, he was kept in solitary confinement for 10 days. There, they say, he was accused of "throwing books" and was stripped and restrained by a wide, thick leather waistbelt, with both hands bound in steel-and-leather cuffs behind his back. Mr. Mara spent 20 hours this way and was forced to lap up food from a bowl while lying prone.

In many ways, Japan's prison system is impressive. Overcrowding is not a problem, assaults or rapes among prisoners are rare, drugs and weapons are virtually nonexistent within prison walls, hardly anyone escapes, and Japan has an exceptionally small proportion of its population in prison.

The problem, human rights campaigners say, is that the Japanese system achieves this record in part by Draconian rules and mind-boggling regimentation.

"It smacks of totalitarianism," said Joanne Mariner, a prison specialist for Human Rights Watch, a New York-based human rights organization. "There's an obsession with rules and with absolute, strict obedience to rules. When they believe rules have not been followed, then there is arbitrary punishment."

Yuichi Kaido, Mr. Mara's lawyer, described it this way: "*In the 19th century in the United States, it is said* that the American prisoners were regarded as 'slaves of the state.' I think those words fit the present situation of Japanese prisons to some extent."

Now a growing number of former prisoners, as well as prisoners still serving time, are putting the spotlight on conditions by trying to sue the prison system for mistreatment. Mr. Mara, who is serving a four-and-a-half-year term for smuggling more than 11 kilograms

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Making Dayton Work / **Engineering a Peace**

Dick Sklar: Clinton's Mr. Fix-It for Broken Bosnia

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — In the world according to Dick Sklar, people can find a workable solution for every problem. As long as they listen to Dick Sklar.

"After all," said the millionaire businessman and friend of President Bill Clinton, "I've always believed I am the one who best perceives reality and truth."

Welcome to Bosnia, Dick.

After building 11 airports, digging sewer systems, renovating San Francisco's cable cars, constructing a basketball arena in Cleveland and making himself and those around him fabulously rich, Mr. Sklar, 61, accepted perhaps the most challenging assignment of his varied career as a salesman, engineer and Democratic Party operative. Last month, he agreed to take a post in Bosnia as the president's special representative to try to resuscitate the flagging fortunes of the Dayton peace deal.

In Bosnia, Mr. Sklar's specific role is to play a no-nonsense Mr. Fix-It, an international version of Harvey Keitel's Mr. Wolf in the hit movie "Pulp Fiction," a back-slapping, head-banging engineer capable of catalyzing moribund international aid agencies and intractable ultranationalists into mending Bosnia and cementing peace. Mr. Sklar compares himself to Alan Ladd *in the 1953 Western "Shane," "coming into* town when there's trouble."

"What I do is take things from the 'Let's do this' stage to 'Let's enjoy what we did.' That includes putting together a dinner party, training a Boy Scout troop or building an airport," he says.

IF A DINNER party is needed, Mr. Sklar will be ready: He's arranged to get a personal "care package" sent from Naples to Sarajevo filled with olive oil, mozzarella, fresh pasta and other treats.) "Besides, I thrive on challenge. If there wasn't a Bosnia, I'd have to invent one."

Some people might cringe at that last line, but it is actually common parlance for some of the most competent officials here. What fascinates them is creating order *out of chaos, problem* solving on a global scale. Such grand ambitions may come at the expense of the human touch, however. One of the greatest convoy leaders the UN High Commissioner for Refugees ever had, for instance, always refused to share his sandwich with hungry children. Some in Sarajevo feel the same way about *Mr. Sklar.*

From the beginning of its engagement in Bosnia, the Clinton administration has placed great stock in single individuals, hoping somehow, according to one U.S. official, "that they would wave a magic wand and make the whole problem disappear." All of them arrived with optimism that perhaps they could *outfox the Balkan* strongmen responsible for unleashing the worst conflict in Europe since World War II.

Some have faded into the bureaucratic wilderness; some have been exiled to small countries like Slovenia and Cyprus. Others have never left, dying tragically on the precipitous slopes of Mount Igman or against a rain-soaked mountainside near the Dubrovnik airport.

Only one, Richard C. Holbrooke, who hammered out the Dayton peace accord, left the Balkan stage with any shimmer of success. That's who Mr. Sklar compares himself to: "Dick stopped the killing, not alone, but without his energy it wouldn't have happened," Mr. Sklar said in an interview recently on the patio of the U.S. Embassy.

Joel Richardson, The Washington Post

'If there wasn't a Bosnia, I'd have to invent one,' says Dick Sklar.

He adds. "My job's not the same. It's not as simplistic. It won't be completed for five years."

Mr. Sklar's entry onto the Balkan stage underscores the Clinton administration's unease about trusting its European partners to carry their part of the Dayton *load. While the United* States took military command of the 60,000 strong military operation of the North Atlantic Treaty Organization, it called on the Europeans to lead the civilian side of the deal, pay most of the money for reconstruction and lead the effort to patch Bosnia back together again.

But the lethargic pace *of the Europeans has* worried Clinton administration officials, and slowly a parallel American bureaucracy has been created, shadowing the Europeans. That is the organization that Mr. Sklar heads, thanks to President Clinton.

Mr. Sklar first met Bill Clinton in 1972 at the Democratic National Convention in Miami. He worked for the McGovern campaign in Ohio; Mr. Clinton did the same in Texas.

Since then, Mr. Sklar has remained close friends with a number of Democratic officials who now work for Mr. Clinton. He joined the 1992 Clinton campaign and baby-sat the U.S. Agency for International Development for four months in 1993 before the appointment of J. Brian Atwood as its chief.

Mr. Sklar says transportation is his first priority. Before the war, driving across Bosnia was a simple affair.

Today, even *with so-called freedom of move*ment, mandated under the Dayton deal, a train cannot chug from southwestern Bosnia to Hungary. Croats in one town won't let it pass. Muslims in another say the same. Serbs to the north have no interest in cooperating.

Mr. Sklar's job is somehow to persuade all sides to let the train through.

HE IS ALSO TRYING to get Sarajevo's airport up and running. It has been ready for commercial flights since before April, but so far only one has arrived — a lone plane from the small Balkan nation of Macedonia.

Mr. Sklar has bet a friend "a dinner anywhere in the world" that it will be open by a certain date. When? He would not say.

He is reticent about revealing specifics on how he plans to get the railroads running and the airports open. He has placed his faith in the powers of persuasion to open up the routes.

It remains to be seen whether that trust is enough in a region where it often seems that the first thing people do with a gun is shoot themselves in the foot. Indeed, he appeared perplexed *at the number of governments, para-governments* and breakaway states that operate in Bosnia.

"This is going to require a level of patience that I'm not known for," he admits. Patient or not, *Mr. Sklar says he will stay in Bosnia until* Dec. 20, when the mandate of the NATO implementation force runs out.

Before he left the United States, a colleague from San Francisco gave Mr. Sklar a bumper sticker for his Toyota pickup:

"If the people lead maybe the leaders will follow," it read.

Perhaps it should have said: "If Dick Sklar leads, maybe the people will follow."

EU Inquiry Seeks Proof of Illegal Trade In British Beef

Reuters

BRUSSELS — The European Union farm commissioner, *Franz Fischler*, said Monday that he was checking news reports that British beef was being sold illegally to Italy and other continental countries.

The press reports said that the German health minister, Horst Seehoffer, *had called for an EU inquiry* after being tipped off by the German ambassador to Rome about large-scale cheating on the export ban imposed in late March by the European Union.

"I am taking this very seriously, but there is no proof yet," Mr. Fischler told German television.

He said he had written to *all* the ministers concerned as well as the Union's anti-fraud commissioner, Anita Gradin.

In Rome, Foreign Minister Lamberto Dini said that Italy would also investigate the reports.

Mr. Dini said he believed that any smuggling was on a small scale, but that it was worrying.

"We are going to check," he said. "We intend to make sure that *Italy is not* the weak link in the chain."

The EU ban was imposed as a result of widespread concern over the possibility that "mad cow" disease, or bovine spongiform encephalopathy, a fatal brain disease, could be transmitted *to humans.*

According to the press reports, British beef was being shipped illegally via other countries, using forged documents.

The EU Commission's agriculture spokesman, Gerard Kiely, said that Mr. Fischler had written to the British agriculture minister, Douglas Hogg, asking what steps Britain had taken to prevent beef exports in violation of the *ban.*

EU veterinary inspectors are due to visit Britain again on July 22, Mr. Kiely said, noting that on an earlier visit the inspectors had said that British controls could be improved.

"Britain must have effective control measures to prevent illegal exports," he said.

Germany has been one of the strongest opponents of easing the export *ban, contending that it should remain in* force until Britain has proved that mad cow disease has been eradicated.

Beef sales in Germany have fallen by a third since the start of the crisis even though British beef accounted for less than 1 percent of beef imported into Germany last year.

■ French Herd Is Destroyed

A herd of 75 cows was destroyed in *the Mayenne department of western* France after the discovery of a case of mad cow disease in the dairy herd, Reuters reported from Paris on Monday, quoting a Ministry of Agriculture announcement.

"The case was the eighth in France this year and the 21st since 1990," a ministry spokesman said.

UN Presses for Quicker Action to Slow Global Warming

By John H. Cushman Jr.
New York Times Service

WASHINGTON — As international negotiations on global warming resume, UN health and environmental agencies are warning of serious threats to public health if actions to reduce climate change come too slowly.

In a report to that to be issued during the talks that resumed in Geneva on *Monday, scientists from UN agencies* warn that warming due to air pollution "could have a wide range of impacts on human health, most of which would be adverse."

Major cities could see thousands of additional deaths each year during heat waves, and tens of millions of people could face the risk of malaria in parts of the world where the disease does not now occur, to cite but two examples from the report. Concerns about the possible health consequences of global *warming have become widespread* among those scientists who believe that the earth's climate will change rapidly in the coming century as pollution in the atmosphere traps solar radiation — the so-called greenhouse effect.

The 262-page report is one of the most thorough examinations of the issue to date, but it concedes that the predictions are fraught with uncertainty and that much more research needs to be done. At *the same time, it warns negotiators* against taking a "wait-and-see" approach, since the possible consequences of inaction are so dire.

How fast to act on global warming is the focus of the latest negotiations over global climate change.

Industrial nations are already falling short of their initial goals, which they established in a 1992 treaty, for controlling pollution from carbon dioxide and other greenhouse gases. Major industries in some countries, including the *United States, are urging their governments* to take a go-slow approach to the problem, arguing against steps they say could cost jobs and growth before the problem is better understood.

Eileen Claussen, the assistant secretary of state for environmental affairs and a top negotiator at the latest round of talks on carrying out the climate treaty, called the UN report on health problems "another indication that this is an issue *that has to be taken seriously — and we* intend to do just that."

In the treaty, which has been ratified by 159 nations, the industrialized countries agreed to reduce and stabilize their emissions of greenhouse gases by the year 2000 at the levels that prevailed in 1990. But almost none of them will meet that target, which, according to the current scientific consensus, would not be enough anyway to head off global warming.

In the United States, for example, where the administration adopted a largely voluntary program of measures to reduce pollution, greenhouse gas emissions have continued to rise every year *since the Rio de Janeiro treaty in 1992.*

The Clinton administration is expected to call for tougher steps to control pollution, but it is not expected to propose specific new measures to reverse the trend until after the November election. Other nations are calling for steps ranging from increased taxes on energy to global standards for fuel efficiency.

In a report issued in London last Thursday, the World Energy Council, an *independent research group, said that* carbon dioxide emissions, largely from burning of fossil fuels, rose 12 percent between 1990 and 1995, and said that immediate action was required to reverse the trend.

But representatives of major energy-producing and consuming industries, like John Schlaes of the Global Climate Coalition, say there is no rush and that steps to control emissions before further research is conducted would cause grave economic harm. "The time for decision *is not yet now," he said at a news* conference in Washington.

The new report on the health risks posed by global warming, issued by the World Health Organization, the World Meteorological Organization and the UN Environment Program, comes down squarely on the side of those calling for early action, despite the uncertainties that permeate the scientific studies it cites. A copy of the report was provided *by an American government official* who deals with environmental issues.

"If adverse population health impacts are likely to result from climate change, we do not have the usual option of seeking definitive empirical evidence before acting," the study says. "A wait-and-see approach would be imprudent at best and nonsensical at worst."

TRAVEL UPDATE

British Try to Avert Airline Strike

LONDON (AFP) — British Airways and the British Airline Pilots' Association agreed Monday to hold talks to try to avert an indefinite strike by pilots. The strike is scheduled to start next week and threatens to ground BA's fleet at the height of the busy summer season.

The two sides are to meet "very soon," after the pilots' union wrote to the BA chief executive, Bob Ayling, suggesting a meeting, the airline said.

The union said it had come up with a new package of proposals that it hoped would break the deadlock. The strike is due to start on July 16, and would cost the company £40 million ($62 million) a day, the union claims.

Engineers Slow London Subway

LONDON (AP) — Packed trains and patchy service faced London commuters Monday as subway train drivers staged *their third one-day strike. The union also plans a one-day* strike on July 16. London Transport said that only about one train in three was operating Monday. The strike was called by the Associated Society of Locomotive Engineers and Firemen, which represents 2,000 Underground workers.

The union says management has reneged on a deal reached a year ago to reduce the work week by one hour, to 37.5 hours.

A rare snowstorm that covered large areas of eastern South Africa stranded *hundreds of travelers Monday and was* blamed for at least three deaths. At least 12 hikers were reported stranded south of Johannesburg, and dozens of motorists were trapped in vehicles in snow drifts on a highway near the mountains. *(AP)*

At least six people, including three children, have died in Manila and nearby Bulacan province since January in an outbreak of dengue fever, the Health Department said Monday. The department's Field Epidemiology Training Program reported that the number of cases of dengue fever *had tripled to 1,051 in the first half of this year, from 305 in* January-June 1995. No figures were available for the number of deaths last year. *(AP)*

Most Athenians stayed home Monday as a scorching heat wave ran into the fifth day, with temperatures reaching a year's high of 41 degrees centigrade (106 Fahrenheit). The government ordered hospitals on alert to treat heat-stroke cases, banned private cars from the city center and halved the number of taxis. It also urged people to take care of the elderly and stay indoors. *(Reuters)*

IN MEMORIAM

Peter Boesch
24.2.38 9.7.95
Rest in Peace
my companion of 33 years.
443 Fair Oaks
San Francisco, California

See our
Real Estate Marketplace
every Friday

WEATHER

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	26/79	17/62 s	27/80	13/55 s
Amsterdam	18/64	12/53 c	20/68	14/57 pc
Ankara	32/89	18/64 s	40/104	21/70 s
Athens	37/98	26/73 s	37/98	24/75 s
Barcelona	22/71	16/61 pc	22/71	13/55 pc
Belgrade	31/88	13/55 pc	22/71	13/55 c
Berlin	19/66	12/53 r	21/70	10/50 c
Brussels	19/66	8/48 c	20/68	12/53 pc
Budapest	28/82	17/62 pc	21/70	14/57 sh
Copenhagen	20/68	11/52 pc	22/71	12/53 pc
Costa Del Sol	35/79	16/64 pc	27/80	22/71 s
Dublin	19/61	13/55 sh	19/66	13/55 c
Edinburgh	18/61	13/55 pc	17/62	14/57 sh
Florence	21/70	15/59 sh	21/70	11/52 pc
Frankfurt	19/66	14/57 r	21/70	11/52 c
Geneva	14/57	10/50 r	18/64	9/48 c
Helsinki	19/66	14/57 pc	21/70	16/61 sh
Istanbul	34/93	21/70 s	36/100	23/73 s
Las Palmas	24/75	20/68 s	26/79	21/70 s
Lisbon	24/75	16/61 s	26/79	13/55 s
London	18/64	11/52 c	18/64	14/57 sh
Madrid	33/91	9/48 s	29/79	18/61 s
Majorca	31/70	17/62 pc	31/70	19/66 pc
Milan	21/70	13/55 r	24/75	12/53 pc
Moscow	28/82	22/71 t	32/89	22/71 c
Munich	18/64	10/50 r	16/61	7/44 c
Nice	30/86	14/57 sh	35/73	14/57 s
Oslo	20/68	13/55 c	24/75	14/57 pc
Paris	13/68	9/48 pc	19/66	13/55 sh
Prague	21/70	13/55 sh	17/62	9/48 sh
Reykjavik	15/59	9/48 c	15/59	10/50 r
Rome	33/73	13/55 c	18/66	12/53 pc
St. Petersburg	23/71	13/55 pc	28/82	19/66 t
Stockholm	19/66	13/55 pc	19/66	15/59 r
Strasbourg	18/64	8/46 r	19/66	9/48 c
Tallinn	18/64	14/57 pc	21/70	17/62 sh
Venice	24/75	16/64 t	28/71	14/57 sh
Vienna	24/75	15/59 pc	16/64	12/53 t
Warsaw	26/79	19/66 t	22/71	13/55 sh
Zurich	16/61	9/48 r	17/62	7/44 c

Oceania

Auckland	14/57	3/46 c	15/59	3/46 pc
Sydney	17/62	7/44 c	17/62	7/44 pc

Forecast for Wednesday through Friday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Hot · Heavy Rain · Heavy Snow

North America
Hurricane Bertha may bring heavy rains and high winds from the Bahamas to the coast of the Carolinas Wednesday through Friday. New York and the Northeast will be dry, breezy and comfortable with sunshine, while New *Orleans will be steamy with* showers and thunderstorms.

Europe
Partly sunny, mild and mainly dry the next few days in London, Amsterdam and Paris. Berlin will have clouds and perhaps a shower Wednesday, then turn partly sunny and milder by Friday. Cloudy, cool weather will shift to *Poland and* Belarus, while Moscow will be sunny and hot.

Asia
Beijing will be cooler than the past few days, perhaps with a shower or thunderstorm. Typhoon Dan may bring heavy rains and high winds across Japan Wednesday and Thursday. This storm could pass close to Tokyo late *Wednesday. Warm and* sultry in Hong Kong with a shower or two.

Middle East

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Abu Dhabi	39/102	31/88 s	41/106	30/86 s
Beirut	29/84	24/75 s	32/89	23/73 s
Cairo	35/97	22/71 s	39/100	21/70 s
Damascus	34/93	22/71 s	31/88	19/66 s
Jerusalem	27/80	19/66 s	29/84	18/64 s
Luxor	42/107	24/75 s	45/115	23/73 s
Riyadh	41/106	27/80 pc	43/109	28/79 s

Africa

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algiers	24/75	16/61 pc	24/75	19/66 pc
Cape Town	17/62	6/43 s	18/66	11/52 pc
Casablanca	24/75	17/62 s	28/82	21/70 s
Harare	22/71	12/53 t	24/75	12/53 c
Lagos	29/84	23/73 c	29/84	24/75 c
Nairobi	21/70	11/52 pc	22/71	10/50 c
Tunis	29/84	14/57 s	24/75	16/61 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bangkok	34/93	25/77 pc	33/91	26/79 pc
Beijing	29/84	22/71 sh	29/84	22/71 t
Hong Kong	31/88	28/79 pc	32/89	28/79 pc
Manila	31/88	24/75 pc	32/89	24/75 pc
New Delhi	38/100	31/88 pc	38/100	31/88 s
Seoul	27/80	17/62 pc	29/84	18/64 s
Shanghai	31/88	24/75 pc	32/89	24/75 pc
Singapore	31/88	24/75 sh	32/89	23/73 sh
Taipei	33/91	24/75 pc	32/89	24/75 c
Tokyo	29/79	22/71 sh	27/80	22/71 sh

Latin America

Buenos Aires	10/50	7/44 sh	12/53	4/39 pc
Caracas	31/88	25/77 pc	31/88	25/77 pc
Lima	17/62	16/61 c	18/64	15/59 pc
Mexico City	23/73	13/55 sh	24/75	13/55 sh
Rio de Janeiro	21/70	18/66 t	24/75	18/64 pc
Santiago	9/48	3/37 sh	12/53	3/37 pc

North America

Anchorage	17/62	9/48 sh	18/64	10/50 pc
Atlanta	31/88	22/71 t	33/91	22/71 pc
Boston	32/89	21/70 pc	24/75	16/61 pc
Chicago	30/86	17/62 pc	23/73	12/53 pc
Dallas	39/100	24/75 s	34/93	22/71 pc
Denver	28/79	14/57 c	29/84	14/57 pc
Detroit	31/88	18/64 pc	23/73	13/55 pc
Honolulu	29/84	25/77 c	31/88	24/75 pc
Houston	34/93	25/77 pc	33/91	24/75 pc
Los Angeles	31/88	19/66 s	29/84	18/64 pc
Miami	34/93	27/80 s	34/93	28/79 pc
Minneapolis	26/79	12/53 pc	22/71	13/55 pc
Montreal	22/71	12/53 sh	20/68	12/53 t
Nassau	32/89	24/75 pc	32/89	25/77 pc
New York	32/89	24/75 pc	26/79	19/64 t
Phoenix	41/106	29/84 pc	42/107	30/86 pc
San Fran.	22/71	13/55 s	23/71	14/57 pc
Seattle	27/80	13/55 s	23/73	13/55 pc
Toronto	23/73	18/61 pc	22/71	16/61 t
Vancouver	26/79	14/57 pc	25/77	13/55 pc
Washington	34/93	24/75 pc	29/84	21/70 t

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Australia (Telstra)	1-800-881-877	Greece +	008-001-411	Netherlands Antilles ★ (Curaçao & Bonaire)+	001-800-745-1111	Thailand	001-999-13-877
Austria +	022-903-014	Guam	950-1366	New Zealand	0-800-760-877	Turkey +	00-800-1-4477
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Colombia	980-13-2810	Jordan	18-800-777	Russia (Moscow) +	155-6133		
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THE AMERICAS

U.S. Tries to Keep Guns From Young

Boston Pilot Effort Does Well

By Fox Butterfield
New York Times Service

NEW YORK — President Bill Clinton is to announce the creation of a federal computer system to track the illegal sale of guns to young people as part of an initiative to help local police cut off the supply of those firearms and halt the sharp rise in gun violence among young people.

In Boston, a pilot version of the program, and increased police efforts against guns, have been so successful that no juveniles have been killed by guns this year, said the city's police commissioner, Paul Evans.

It is already illegal under federal law, and the laws of most states, to sell handguns to juveniles, a factor that makes the president's program easier to carry out because it does not require the passage of new legislation that could lead to a debate about gun control.

Police chiefs and prosecutors from 17 cities, including New York, which has also had a pilot program, were to sign an agreement at the White House voluntarily pledging to provide information on every gun they seize from a juvenile during a crime.

The data will be entered into the federal computer system, run by the federal Bureau of Alcohol, Tobacco and Firearms. Each gun will be traced to its original seller through documents and serial numbers to try to find who is selling guns to juveniles. The gun traffickers will then be prosecuted.

Eventually, federal officials say, the goal is to have all cities in the nation join the program, giving the bureau more information with which to identify illegal gun dealers.

"I've been in law enforcement for 25 years and this is the most powerful law-enforcement tool I have ever seen," said Joe Vince, the chief of the bureau's firearms enforcement division.

The computerized data base and a new software program, called Project LEAD, represents an "astonishing" change in attitude and tactics by the police, said David Kennedy, a senior researcher at the John F. Kennedy School of Government at Harvard University, who helped devise the project in Boston.

Until recently, the police did little to understand or disrupt the black market in guns, Mr. Kennedy said. When they came across a gun used in a crime, the police simply locked it up in their evidence room, not bothering to try to find out the source of the weapon, as law-enforcement officers have long done with drugs.

One reason for this attitude, Mr. Kennedy said, has been a belief that there are so many firearms in the United States — about 220 million, according to the firearms bureau — that it is almost hopeless to try to track down illegal gun dealers.

Another reason has been political sensitivity caused by the strong opposition of the National Rifle Association to any form of gun control. Congress, with the strong influence of the National Rifle Association, has long kept financing for the firearms bureau as low as possible, delayed its acquisition of computers and prevented it from establishing a computerized data base on the registration of guns.

Mr. Kennedy said the bureau had been working on its new system for three years and that only recently had enough field testing been done to suggest that the program could be successful.

It comes at a time, though, when Bob Dole, Mr. Clinton's probable opponent in the November election, and other leading Republicans, like Senator Orrin Hatch of Utah, have been speaking about juvenile crime, advocating legislation to try more juveniles as adults when they are charged with violent crimes and to give them longer prison sentences.

The 17 cities in the program, all of which have shown an interest in gun tracing, were selected in part to have participation from cities of various sizes and regions. In addition to New York and Boston, the cities are Atlanta; Baltimore; Birmingham, Alabama; Bridgeport, Connecticut; Inglewood, California; Memphis, Tennessee; Cleveland; Jersey City, New Jersey; Milwaukee; Richmond, Virginia; St. Louis, Missouri; Salinas, California, San Antonio, Texas; Seattle and Washington.

Martin Bernetti/Agence France-Presse

Mr. Bucaram walking in Guayaquil with his wife, Rosa Pulley, after declaring victory in the presidential race.

Populist Wins Presidency in Ecuador

Remarkable Victory by Advocate for Poor Sends Message to Business

By Gabriel Escobar
Washington Post Service

GUAYAQUIL, Ecuador — Abdala Bucaram, a populist whose message found a ready audience among Ecuador's poor and disenfranchised, exceeded even his supporters' most optimistic expectations to win an overwhelming victory in a presidential runoff race.

Mr. Bucaram was winning with about 54 percent of the vote, compared with 46 percent for his opponent, Jaime Nebot Saadi, a moderate who was long considered the front-runner and who conceded defeat shortly after the polls closed.

The vote represents a remarkable triumph for Mr. Bucaram, 44, the grandson of Lebanese immigrants and a controversial figure whose fiery oratory won him converts among the masses, suspicion among the business classes and now the presidency, on his third attempt.

Dismissed as a demagogue, ridiculed for his Chaplin-like mustache and envied for his campaigning skills, the one-time Olympic track star mounted an impressive campaign that focused on wooing grass-roots voters.

In the process, he sidetracked the establishment candidate's well-oiled campaign machine.

When he assumes office Aug. 10, Mr. Bucaram will cut an uncommon figure among Latin American leaders, especially in this nation of 11 million astride the Equator. Over the last four years, the country has been led by the staid and grandfatherly President Sixto Duran Ballen.

Mr. Bucaram's platform in many ways echoed the old populism that periodically resounds through Latin America.

At a time when Ecuador's Latin neighbors are struggling to address the needs of the poor while adhering to tight fiscal programs, Mr. Bucaram's triumph is bound to send a powerful message across the region.

Mr. Duran Ballen's government imposed unpopular constraints on public spending to combat a 60 percent inflation rate.

Analysts say Mr. Nebot's defeat may be interpreted as a rejection of that policy.

On Sunday night, Mr. Bucaram seemed to anticipate some of the questions that his victory raised, particularly in business circles. He stressed his interest in attracting foreign investment and encouraging private enterprise.

One of the more pressing questions facing Mr. Bucaram — one that will be raised by Ecuadoran business leaders and foreign investors — is how long he will continue his populist tone, once he takes office.

For example, he urged during the campaign that the nation's foreign debt be renegotiated — which is no longer possible under international financial rules — and suggested that the currency was overvalued.

Anxiety over Sunday's runoff had been building in the business community and old-line political circles since Mr. Bucaram's surprisingly strong showing in the first round on May 19.

Adolfo Bucaram, the candidate's brother and national political coordinator, summed up the election by describing it as a clash between the haves — Mr. Nebot and his supporters — and the have-nots — Mr. Bucaram and his army of poor people.

POLITICAL NOTES

Powell Stands as Non-Runner

WASHINGTON — Voicing fresh reluctance about entering the political arena, retired General Colin Powell said Monday that he did not plan to campaign for Bob Dole or any other Republican candidates this fall.

Mr. Powell said flatly in an interview he was not interested in serving as Mr. Dole's vice presidential running mate. He said he had been in touch with officials planning next month's Republican National Convention but "I don't know that I will play a role."

Mr. Dole has talked eagerly of the prospect of taking Mr. Powell along on campaign trips, and other Republican leaders have spoken of finding ways for the party to tap his popularity.

But when asked if he would help fellow Republicans this fall, Mr. Powell said: "I don't want to go out. I don't plan to go out on the campaign or fund-raising trail. I am practicing my own politics privately." *(AP)*

FBI Files Checked for Prints

WASHINGTON — Investigators for Kenneth W. Starr, the Whitewater independent counsel, have begun checking the fingerprints on hundreds of confidential FBI files improperly acquired by the Clinton White House, according to law enforcement and congressional officials.

The examination of who might have handled the materials, officials said, could provide crucial answers to questions surrounding the improper acquisition of files on nearly 900 former White House workers and officials, among them dozens of prominent Republicans.

The fingerprint check, officials said, would show whether the documents had been handled by senior officials of the Clinton White House or other people outside the security office. The files are two- to four-page reports summarizing a background investigation of an individual by the FBI. They can contain a wide variety of personal information. *(NYT)*

Clintons' Task: Where to Rest?

WASHINGTON — It's vacation time, and once again the Clintons have the onerous task of deciding where to go this summer. This is never easy, what with the huge entourage of aides, reporters and such to accommodate. The Clintons loved Martha's Vineyard, but the message in an election year would be a big problem.

Jackson Hole, Wyoming, was wonderful, clearly worth going back to; everyone loved it. But it makes very little electoral sense and is a bit isolated, especially since Mr. Clinton would be there in early August, during the Republican convention. The feeling now is that maybe Lake Tahoe is the best spot. Pleasant Northern California climate, enough hotels, lots of electoral votes and a way to respond to and divert attention from the Republicans down in San Diego. Mr. Clinton also could do a Yosemite enviro stop — just for fun, of course, not for campaigning.

Mr. Clinton won't be able to decide at least until Hillary Rodham Clinton returns Thursday from her trip to Eastern Europe. *(WP)*

Quote/Unquote:

Nelson Warfield, Bob Dole's press secretary, reacting to a new Democratic Party advertising campaign targeting Mr. Dole's doubts about nicotine addiction: "For Bill Clinton, distortion is habit-forming. Bob Dole has never supported tobacco ads that target kids." *(NYT)*

Testimony by Clinton Runs for 2-Plus Hours

By Tim Weiner
New York Times Service

WASHINGTON — Sitting in the White House under the gaze of video cameras for 2 hours and 20 minutes, President Bill Clinton has given a sworn deposition in the trial of two Arkansas bankers charged with making illegal donations to his 1990 campaign for governor.

Mr. Clinton answered questions Sunday in the second videotaped statement he has given in two criminal cases brought by the Whitewater special prosecutor. The federal judge trying the case, now under way in Little Rock, Arkansas, ordered the videotape to be sealed and the lawyers in the case to be silent about it until it is played later this month at the trial.

The president gave the deposition at the request of defense lawyers for Robert M. Hill and Herby Branscum Jr., owners of the Perry County Bank in Perryville, population 1,141.

They are charged with using the bank's money to reimburse themselves for donations they made to Mr. Clinton and hiding cash withdrawals by the campaign. Prosecutors say they did so to win the governor's favor and gain influence in Arkansas politics.

The videotaped deposition took place Sunday in the White House Map Room, a ground-floor salon used for meetings and receptions. There, on April 28, Mr. Clinton taped testimony later shown at the trial of his successor, Governor Jim Guy Tucker, and his Whitewater land-development business partners, James B. McDougal and Mr. McDougal's former wife, Susan.

Mr. Tucker and the McDougals were convicted in May on charges of misusing government-backed loans in the mid-1980s. The case did not involve the Whitewater land project.

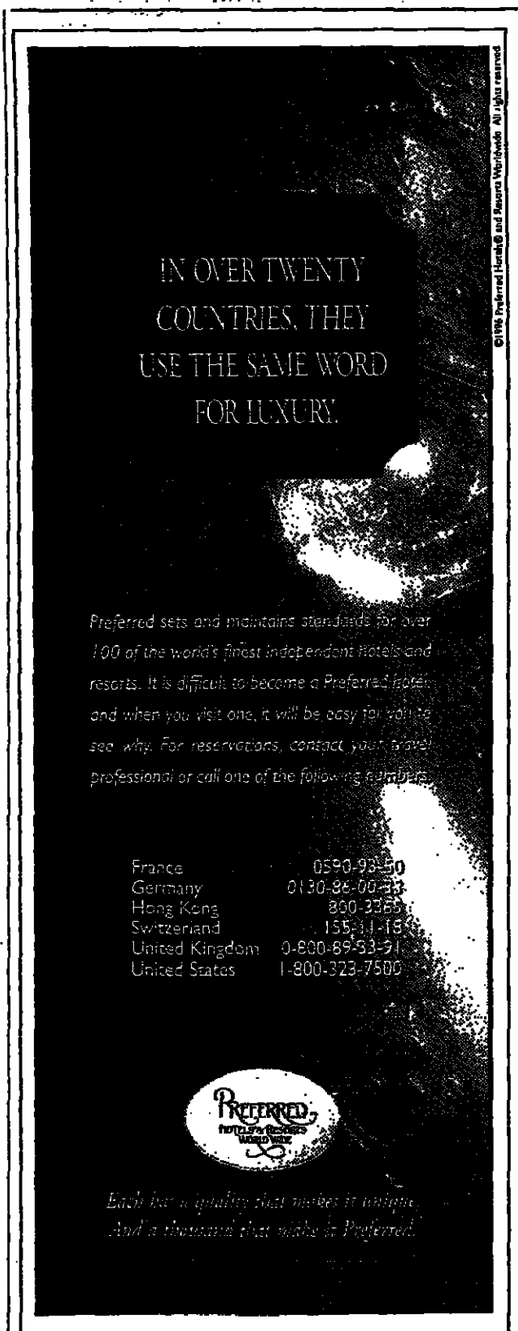
Aides to Mr. Clinton have been working hard to contain any political damage that might result from his testimony. They emphasize that neither Mr. Clinton nor Hillary Rodham Clinton have been charged with any wrongdoing, and that the same jurors who convicted the McDougals and Mr. Tucker said they believed the president's testimony in that trial.

Away From Politics

• A man died after plunging 100 feet into the sea in a freak accident involving a parasail, the police in Hamilton, Bermuda, said. Frank Westendorf, 54, of Newport News, Virginia, was swimming when he grabbed hold of the parasail, which had descended to let off a rider. The operator of the tow boat, apparently unaware that Mr. Westendorf was holding on, carried him aloft before he fell. *(AP)*

• Forty-eight cars of a Conrail freight train derailed near Spruce Creek, Pennsylvania, spilling corn and corn syrup into the Little Juniata River. The only people aboard the 138-car train, the engineer and conductor, were not hurt. *(AP)*

• A truck going the wrong way on a one-way road slammed into an oncoming car, killing five men, the authorities in Sweeny, Texas, said. None of the victims was wearing a seat belt. *(AP)*



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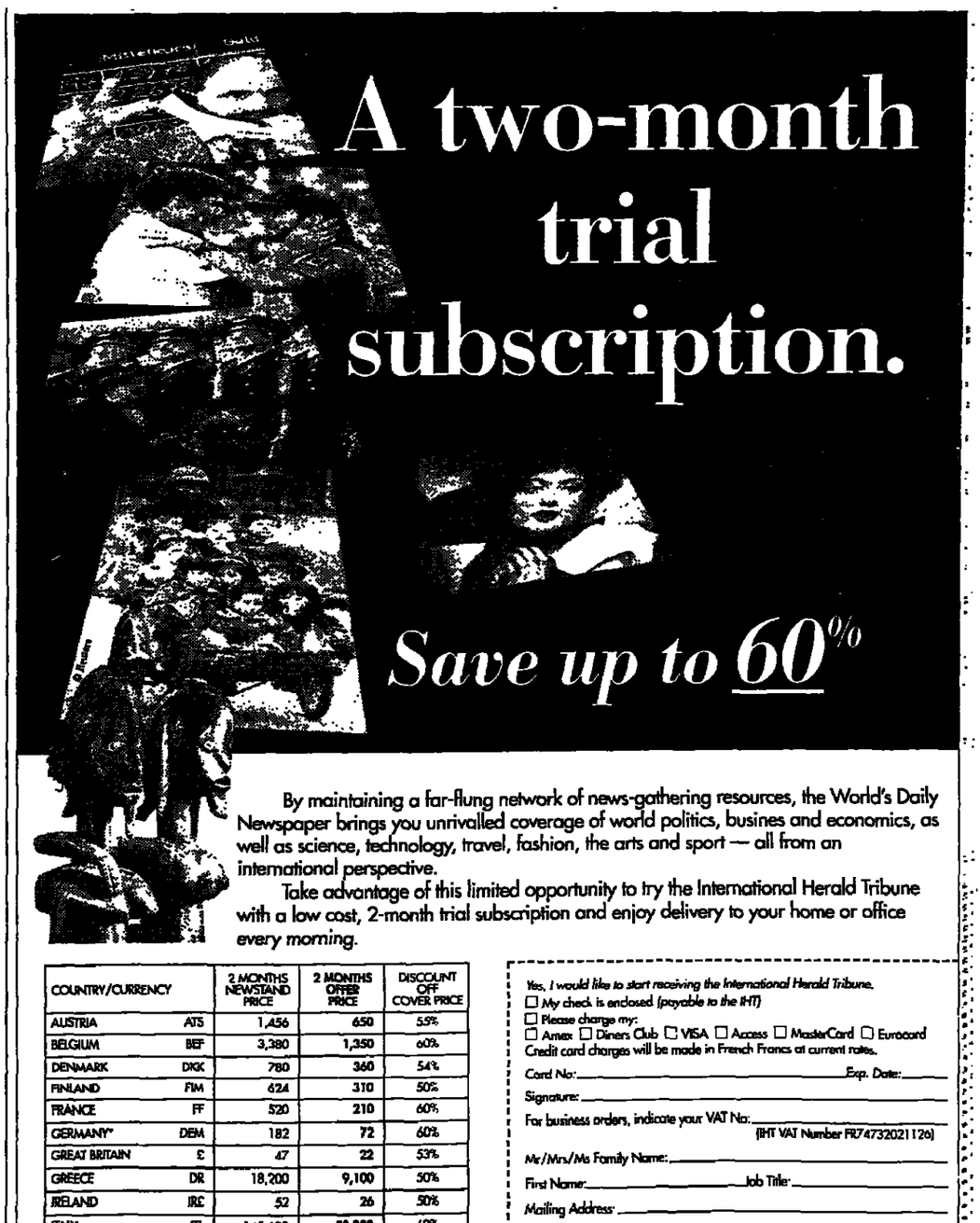

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INTERNATIONAL

Good Feelings for Netanyahu Visit

But Talks With Clinton Won't Disguise Realities of Discord

By Glenn Frankel
Washington Post Service

JERUSALEM — Benjamin Netanyahu left for the United States on Monday night for his first visit as Israel's prime minister with excellent prospects for a tranquil and even joyous reception from the three main prongs of Israel's American connection: the White House, Congress and the American Jewish community.

But even with the best of intentions, trips to America have a way of haunting Israeli leaders. And analysts say the good feelings Mr. Netanyahu will encounter cannot disguise the reality that on major issues involving Israel's relations with the Palestinians and the Middle East peace process, the new rightist prime minister and the Clinton administration have some important differences.

To help smooth Mr. Netanyahu's way, Israel announced Monday the appointment of Eliahu Ben-Elissar as the new ambassador to the United States. Mr. Ben-Elissar is a veteran Likud party politician and former diplomat who has been skeptical about the peace process as conducted by the preceding leftist government but is considered more of a pragmatist than a hard-liner.

Mr. Netanyahu begins by meeting Tuesday with President Bill Clinton. Both leaders have already made it clear they have no intention of allowing the fact that Mr. Clinton campaigned exhaustively for Shimon Peres, whom Mr. Netanyahu narrowly defeated in the May 29 election, dampen their public enthusiasm for each other.

The new prime minister is expected to tell Mr. Clinton that Israel gradually will allow thousands of Palestinians to return to work in Israel and ease the economic plight in the territories and that Israel is prepared to keep its commitment to withdraw troops from the West Bank city of Hebron, although he will likely avoid offering a timetable. He is also expected to say that Foreign Minister David Levy is planning to meet soon with Yasser Arafat and that such a session may be followed eventually by Mr. Netanyahu's own meeting with the Palestinian leader.

Administration officials have made it clear they do not plan on pressing the new prime minister on other, stickier issues on which the two sides disagree: Mr. Netanyahu's opposition to the "Land for Peace" principle that has guided U.S. policy in the region since 1967 and his support for increased Jewish settlement in the West Bank and Gaza, which Washington has long considered an "obstacle to peace."

Both sides are likely to play down the Syrian track of the peace process.

On Wednesday Mr. Netanyahu goes to Capitol Hill to address a joint session of Congress, which should be easy-lifting for a leader whose tough line on defense and terrorism and embrace of free-market economics mirror fit well with the views of the Republican majority. He could also draw applause by indicating that Israel is ready to start cutting back on the $1.2 billion in economic aid it gets each year from Washington.

Mr. Netanyahu also expects red carpet treatment from the American Jewish leadership, which remains deeply divided over the peace process.

■ Sharon Joins Israeli Cabinet

After three weeks of political jockeying, the retired general Ariel Sharon joined the Israeli Cabinet on Monday, taking charge of a powerful new Infrastructure Ministry, The Associated Press reported from Jerusalem.

The move brought immediate criticism from Palestinian and Israeli opposition leaders, who oppose Mr. Sharon because he was the architect of Israel's 1982 invasion of Lebanon and is a champion of Jewish settlements in the West Bank and Gaza.

Mr. Netanyahu had been under intense pressure from members of his Likud party to find a respectable position for Mr. Sharon.

Mr. Sharon was sworn in after the Knesset approved the creation of the new ministry and his appointment to head it by a 58-to-33 vote, with one abstention.

Mr. Sharon sat grimly in Parliament as Mr. Netanyahu read out a long list of powers stripped from other ministries during a laborious negotiating effort that has overshadowed most other affairs of state.

David Silverman/Reuters

Mr. Netanyahu congratulating Ariel Sharon, seated, after appointing the retired general to the cabinet Monday.

Saudi Envoy Insists Syria Had No Link to 2 Bombings

By Bill McAllister
Washington Post Service

WASHINGTON — Syria was "definitely" not involved in the two bomb explosions in Saudi Arabia that killed a total of 24 Americans, the Saudi ambassador to the United States has declared.

But the ambassador, Prince Bandar bin Sultan, a member of the royal family, declined to eliminate any other country, including Iran, from suspicion in the explosions. "I cannot rule out anything or rule in anything as far as other options," he said.

Some U.S. sources familiar with the bomb investigation have suggested that the terrorists who carried out the June 25 tank-truck explosion, which killed 19 U.S. military personnel, may have had help from outside Saudi Arabia.

They have said that suspects who reconnoitered several military housing sites before the bomb had traveled through Syria and possibly other Middle Eastern nations.

Although Prince Bandar ruled out Syrian complicity in the bomb, he declined to comment on reports that the conspirators might have traveled through Syria, saying it was inappropriate to alert the "bad guys" about how much the authorities know.

Appearing on an ABC news program, Prince Bandar gave assurances that his government would cooperate fully with U.S. investigators.

The ambassador did not directly address complaints from U.S. officials that the Saudi government had initially rejected a request to expand the security perimeter at the U.S. military residential compound in Dhahran and, earlier, had not allowed U.S. investigators to question four men about a bomb that killed five Americans and two Indians.

Stressing that his country would have to "be in charge of our own security," Prince Bandar said, "We will be doing whatever it takes together to get to the bottom of this."

The ambassador said that the FBI director, Louis J. Freeh, who went to Saudi Arabia to support investigators, "will be given what is needed to get to the bottom of this."

In an earlier interview on ABC, former Secretary of State James A. Baker 3d said it would have been a "mistake" if the American general negotiating to expand the defense perimeter at the American housing complex did not tell his Pentagon superiors that the Saudis had rebuffed his request.

"Because, in my view, if the top political levels in Washington had been made aware of the request, they could have intervened with the Saudi authorities," Mr. Baker added. "And I think that the permission would have been granted."

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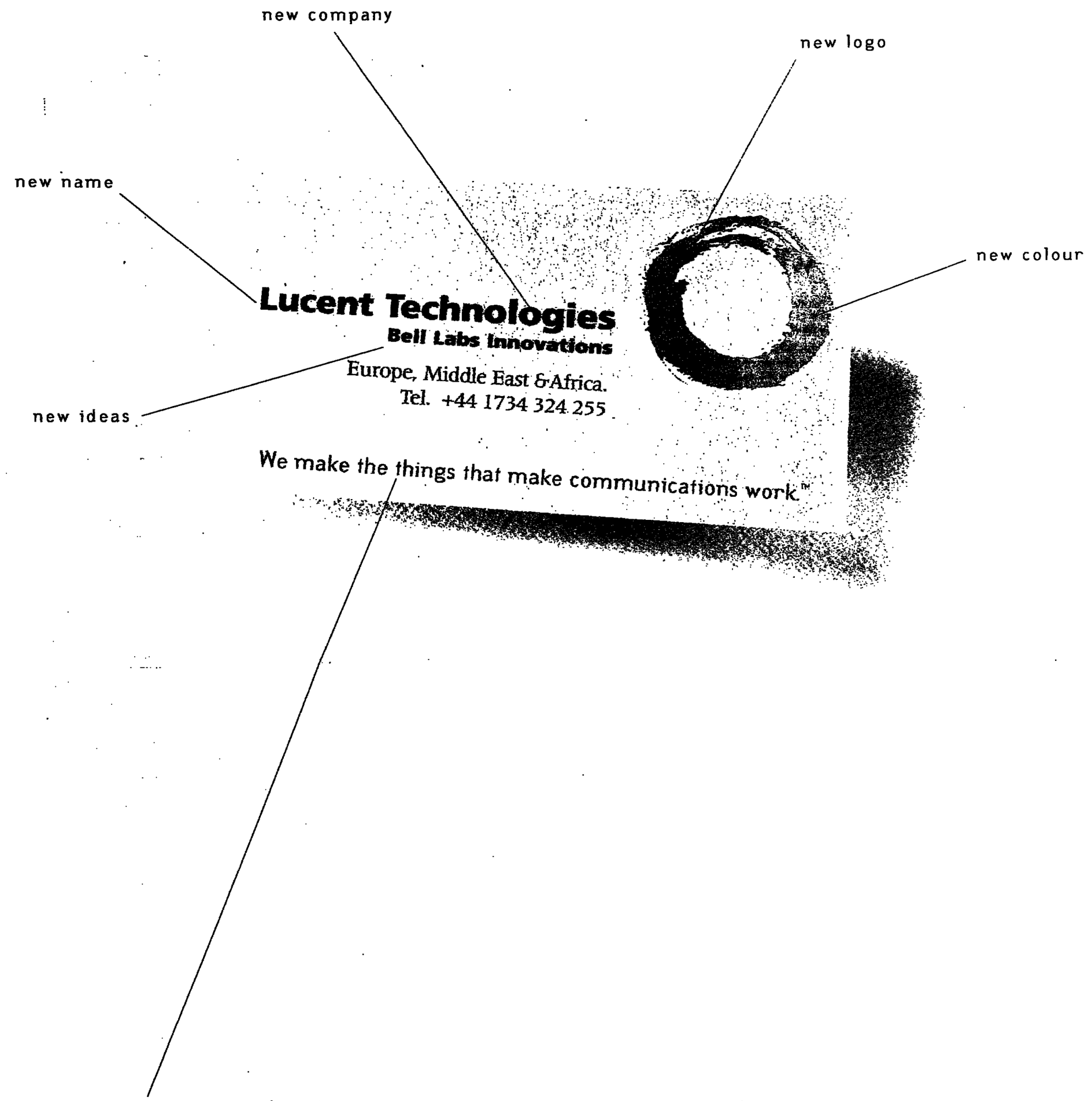

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ASIA/PACIFIC

Oriental Medicine, After Rise in U.S., Takes Off Again at Home, Too

By Mary Jordan
Washington Post Service

SEOUL — Bring your rheumatism to Dr. Park and he will prescribe turtle shells. Morning sickness? Tangerine rind boiled with seven herbs. Tired all the time? He says ginseng will perk you up.

Park Kun Do, a doctor of Oriental medicine, runs one of South Korea's 5,000 herbal medical shops. His, on the east side of this crowded capital city, is in the Kyung Dong Herb Market, which includes blocks of shops, each full of chests with identical wooden drawers stuffed with roots and plants, deer horn and dried lizard. This bustling market of exotic scents is one of the largest concentrations of Oriental medicine in Asia. This is where sick people come to seek cures from 2,000-year-old natural remedies instead of Tylenol or Pepto-Bismol.

Some Western doctors dismiss these remedies as quackery, but South Koreans believe in them to the tune of $2 billion a year in sales. As Oriental medicine and other forms of so-called alternative or organic cures enjoy a surge in popularity in the United States, they are also seeing a renaissance in much of Asia, where many of them began. South Koreans, like many Americans, are increasingly aware of the limits of Western medicine for many ailments, from cancer to the common cold. Even some who once favored surgery instead acupuncture, or antibiotics to plant extracts, are now taking another look.

In the United States, medical centers such as Harvard Medical School and the National Institutes of Health are studying Oriental remedies. American consumers are spending billions trying herbal or homeopathic cures, and an increasing number of acupuncturists trained in China, South Korea and elsewhere are setting up shop in the United States.

The rising popularity of Oriental medicine in the United States has caused alarm among regulators who say there is too little oversight. Its popularity here has led to a different problem: Oriental doctors are feuding with pharmacists. The doctors say the pharmacists are invading their turf. In a recent protest, 1,500 Oriental medical doctors shaved their heads, and doctors from about 15 of South Korea's more than 75 Oriental hospitals are refusing patients.

The pharmacists contend that "it's our territory and our right" to dispense herbal medicine if they get a government license, said Nam Soo Ja, an official and pharmacist at the Korean Pharmaceutical Association.

She said natural remedies are often an effective substitute or supplement to prescription drugs. This marriage of the healing traditions is increasingly common across Asia, where many universities and hospitals have both Western and Oriental schools of medicine.

South Koreans, like many Americans, are increasingly aware of the limits of Western medicine for ailments.

Song Byoung Key, dean of the College of Oriental Medicine at Kyung Hee University in Seoul, said there was more than money behind the dispute. He said inadequately trained pharmacists would sully the reputation of Oriental medicine. But, he said, "the broader issue is a philosophical one: It's Oriental culture versus imported Western culture."

Mr. Song said the remarkable rebirth of Oriental medicine in South Korea has brought an increasing number of top-quality students into the field. Around the world, interest has been fueled by the "mysterious, curious" connotations to Oriental cures.

In South Korea, both Oriental and Western medical students attend six years of college followed by internships and residencies. While the number of Oriental doctors is growing, hospitals offering strictly Western medicine still far outnumber those practicing Oriental medicine.

At first, walking into Kyung Hee Hospital, near the giant herb market, is like walking into an American hospital, with the usual signs for radiology, surgery, orthopedics. In the Oriental medicine wing, things start to look a little different. The models of human bodies in doctors' offices are marked with the key points of acupuncture.

Patients chat with doctors not about when to schedule surgery, but about what kind of herbal mixture is best during recovery from a stroke. Many of these patients end up here when doctors in the Western wings have failed to cure their ills.

Critics ask whether Oriental medicine's power has less to do with herbs and roots and more to do with hope and faith. Some Western doctors here argue that Oriental medicine, with all its mysterious allure, lends itself more to charlatans who prey on the naive trust of those who want desperately to believe.

But in South Korea, more and more people are becoming Oriental doctors, and well-educated patients are lining up in droves.

"This is our culture," said Kim Yong Suk, 35, a medical doctor, as he pushed 17 thin, disposable needles into the pressure points on the back of a young man suffering constant pain in his left shoulder from a car accident.

Kim Kul Hyong, 74, is also a believer. He flew to Seoul from Saipan for treatment of a stroke. Initially, he was partly paralyzed and had difficulty speaking. For two weeks he was treated in a conventional hospital, with little progress. Then he was admitted for a 20-day stay at the Oriental hospital, where he was given herbal medicines and acupuncture, intended to re-energize the *chi*, or life force, within his body.

"I went to a regular hospital and got no results," Mr. Kim said. "I came to this hospital in a wheelchair, and I walked out."

With Executions, China Rivals 1983 Crackdown

By Keith B. Richburg
Washington Post Service

BEIJING — One muggy evening recently, near the Hilton hotel along the capital's busy third ring road, two dozen large buses rumbled past a cordon of police officers into a narrow side street. At the end of the street was a crowded local jail, and the buses were needed to transport the excess prisoners to another institution.

Not far away, in front of the popular Nightman disco where girls in miniskirts lingered, policemen with automatic weapons and military-style camouflage fatigues stopped cars at an impromptu roadblock. They were checking licenses and registrations, looking for stolen vehicles, searching for fugitives.

And down south, in Guangdong Province, thousands of spectators packed a rally in Huizhou, where nearly 100 convicted murderers, rapists, thieves and drug dealers were marched out to receive their sentences. Twenty-five were sentenced to death, and they were immediately paraded to a field behind the stadium where they were executed one by one, each with a bullet to the back of the head.

The Chinese are calling this Strike Hard, the government's crackdown prompted by a steep increase in violent crime, including the stabbing death of a deputy chairman of the National People's Congress earlier this year as he tried to stop a burglary.

Over the last two months, the campaign has filled newspapers with reports of police sweeps, mass arrests, thousands of long prison terms meted out and executions estimated in the hundreds.

No one can say with precision how many people have been arrested and executed under the Strike Hard campaign. The scattered reports from China's far-flung cities and provinces make any accurate nationwide tabulation impossible. But by adding up the number of announced executions, what seems certain is that the crackdown, which began April 28, is China's most sweeping crusade against crime since Deng Xiaoping, the country's senior leader, unleashed a similar drive in 1983.

Even the most hardened crime fighters in Western countries might flinch at the pace and scope of China's crackdown. Here, the time from arrest to trial is often a matter of days; the time from sentencing to execution can be measured in the minutes it takes to walk a prisoner to a field, level a pistol at his head and pull the trigger.

On June 26 alone, Anti-Drugs Day, China executed at least 230 people nationwide, according to incomplete tallies in the official press the next day. They included 59 persons executed in Guangxi, 32 in Yunnan and 32 in Guizhou, plus 56 in Sichuan and 37 in Guangdong.

Official newspaper reports said 1,725 people were convicted that day, of whom 769 were sentenced to death. The China Daily newspaper said executions were carried out in 27 provinces, cities and autonomous regions.

Amnesty International reported Wednesday that at least 1,000 persons have been executed since the Strike Hard campaign began. It said it based its account on government reports, and added that the real number was probably far higher.

China responded angrily Thursday, saying the executions were essential to wiping out serious crimes such as drug trafficking.

Human Rights Watch/Asia, which has also tallied the executions, said "it may be the biggest crackdown since 1983." Sidney Jones, executive director of the group, said human rights advocates are concerned that in their zeal to show how tough they can be on criminals and to meet national quotas for catching and executing crooks, local and provincial courts may be rushing to justice, and innocent people may be caught up in the tide.

The wave of executions mean China will continue to be unchallenged as the world's leader in executions, and by a wide margin, even with the population of 1.3 billion. In March, 94 countries had capital punishment on their books, according to Amnesty International, but China, Saudi Arabia and Nigeria account for about 85 percent of all executions carried out. In 1995, Amnesty reported, China carried out 2,190 executions. Saudi Arabia carried out 192, and Nigeria about a hundred. The United States executed 56 convicted criminals last year.

The large number of executions so far this year, under the Strike Hard campaign and before, indicates that China may be keeping up a pace that will break last year's world record. Statistics show that from October last year until February, about 600 executions were carried out in Guangdong Province alone.

Saurabh Das/The Associated Press

PROTEST OVER FUEL — Policemen and protesters scuffling Monday in New Delhi, as the police fired a water cannon. About 200 Bharatiya Janata Party members were protesting a diesel-fuel price increase.

Mourning Kim Il Sung – With Meaning

Staging of Memorial Service Seems to Underline His Son's Accession

The Associated Press

SEOUL — Appearing firmly in charge, Kim Jong Il held center stage Monday at a memorial service for his father, Kim Il Sung, on the second anniversary of his death.

Wearing a black collarless Mao suit, Mr. Kim stood on a dais beneath a huge portrait of his father in front of the Kumsusan Memorial Palace in the North Korean capital, Pyongyang.

Speakers not only paid homage to Kim Il Sung, but also pledged fealty to his son and heir, the Communist nation's new ruler.

Flanking Kim Jong Il were the nation's top military chiefs and politicians in a display that appeared designed to put to rest rumors that his grasp on power may be shaky.

Gathered in the square in front of the palace were tens of thousands of soldiers and civilians, who observed a moment of silence to mark Mr. Kim's death.

The younger Mr. Kim, 54, did not speak, however, instead staring impassively at the crowd gathered below.

The outdoor service was broadcast live on domestic television.

All those present bowed deeply toward the palace where Kim Il Sung's body lies in state. Mr. Kim lived in the palace until he died of a heart attack at 82.

■ Parliament Opens in the South

President Kim Young Sam of South Korea presided Monday over the opening of Parliament after a monthlong delay, and he told members that their most important duty was preparing for reunification with North Korea, Reuters reported from Seoul.

"Your most important task and responsibility is preparing for peaceful reunification," Mr. Kim said in a speech inaugurating the 15th National Assembly.

"The Parliament should actively counter whatever changes there may be in North Korea, prepare measures for firm national security and pave the way for peaceful reunification," he said.

The new Parliament failed to open June 5 as scheduled after elections in April because of a standoff between ruling and opposition members.

Opposition parties blocked Parliament from electing a speaker and getting down to business, accusing the ruling New Korea Party of poaching independents and opposition members to recapture an absolute majority.

The New Korea Party won 139 seats in the unicameral 299-seat assembly in the elections, but increased its seats to 151 after luring nine independents and three members of the minor opposition Democratic Party.

The deadlock was resolved after the ruling and main opposition parties agreed to form a special committee to look into irregularities during the elections.

Patten Urges EU to Keep Door Ajar for Hong Kong

By Tom Buerkle
International Herald Tribune

BRUSSELS — Seeking to enlist foreign support in the defense of Hong Kong's autonomy, Governor Chris Patten on Monday urged European governments to lobby Beijing on the colony's behalf and to allow Hong Kong residents to enter Europe without a visa.

"We are an international city that depends on the ease of travel," Mr. Patten said to a gathering of business and political leaders here. "I hope as many EU countries as possible will allow us visa-free travel."

Mr. Patten is expected to press the visa issue Tuesday at a meeting with President Jacques Santer and other top officials of the European Commission, the executive agency of the 15-nation European Union.

Although Prime Minister John Major assured Hong Kong residents this year that Britain would guarantee visa-free access after the colony returns to Chinese control on July 1, 1997, no other EU country has followed suit, officials said.

All 15 countries require a visa for Chinese travelers. Unless the Union makes an exception for Hong Kong, the bloc could enforce visa requirements even in Britain because member governments adopt a common visa list by majority voting.

More broadly, Mr. Patten said Europe should judge China's compliance with its promise of 50 years of autonomy for Hong Kong as "a litmus test" of Beijing's general reliability as an international partner.

If Europeans have views about China's handling of the transition, "No one should be afraid to say so in public, if that is what the situation calls for," he said.

Europe's economic interest is evident, he said, because Hong Kong serves as a "launching pad" for efforts by European industry to penetrate the Chinese market.

Hong Kong is now home to the offices of about 600 companies from European Union countries, and trade between Hong Kong and the Union is growing at a rate of 15 percent a year, he said.

BRIEFLY ASIA

Manila Rejects Call by Church To Delay Accord With Muslims

MANILA — The Roman Catholic Church in the Philippines urged President Fidel V. Ramos on Monday to defer a peace accord with Muslim rebels on the island of Mindanao, warning that proceeding in the face of objections by the Christian majority might lead to more violence.

"The alternative is bloodshed," said a church spokesman, the Reverend Hernando Coronel. "Many more grenades will be thrown at our cathedrals."

The presidential executive secretary, Ruben Torres, rejected any delay, saying the agreement on setting up a rebelled administrative council on the southern island was a matter for Manila and the rebels, and was not a not a Muslim-Christian issue. "This is not just a government decision," he said. "It's a negotiated agreement. This council is an agreed thing."

In a letter to President Ramos, the Catholic Bishops Conference of the Philippines said: "Any peace that is established in a conflict-ridden area is necessarily fragile, but even more so when such peace is not the product of consensus involving the participation of all. We urge you most respectfully to defer the finality of consensus points until the people are in some way consulted." *(Reuters)*

China Warns U.K. on Dalai Lama

BEIJING — China assailed the British Parliament on Monday over a planned visit by Tibet's exiled spiritual leader, the Dalai Lama, warning that Chinese-British relations would suffer if the trip went ahead.

During his visit next week, the Dalai Lama is scheduled to address the All Party Parliamentary Group for Tibet in the House of Commons and meet with Foreign Secretary Malcolm Rifkind.

"Tibetan affairs are purely Chinese affairs, which brook no interference by any foreign government organizations or individuals," China's Foreign Ministry said. A ministry spokesman said the Dalai Lama was a political exile whose only goal was to secure Tibetan independence and "undermine the ethnic harmony China." By offering the spiritual leader a forum, the spokesman said, Britain "is supporting and abetting the Dalai Lama's activities to split the motherland." *(AFP)*

New Delhi Firm on Nuclear Issue

NEW DELHI — Prime Minister H. D. Deve Gowda said Monday that India stood by its decision to reject a proposed global nuclear test ban treaty and would resist Western pressure to sign it.

"We have already made our point very clear and, I tell you very frankly, there is no question of a change in our stand," Mr. Deve Gowda said. Asked about pressure from Western countries, he said: "Let there be pressure from any quarter. I will withstand that pressure." *(Reuters)*

For the Record

Dengue fever has killed at least 41 children, all under age 5, in Indonesia's central Java region in the past three months, the Antara news agency reported. *(AP)*

Twenty-five people were killed when a packed bus plunged off a cliff and into a river in Nepal, the police said Monday. About 35 people were injured. *(Reuters)*

VOICES From Asia

Amnuay Virawan, Thailand's foreign minister, urging Burma's military government to open a dialogue with the opposition leader Daw Aung San Suu Kyi: "We would, of course, encourage any dialogue that would lead to stability and peace, but we would not go out of our way in any way that could be perceived as interference." *(AP)*

Marzuki Darusman, a member of Indonesia's National Commission on Human Rights, discounting the possibility of a coup during an absence of President Suharto: "I see no one with the capability and motivation to lead a coup at present, both among the military and civilians. The situation is not so critical that it will give reason for a drastic change in national leadership." *(AP)*

CROSSWORD

ACROSS
1 Convent attire
6 — mater
10 Over, in Bonn
14 Big name in microwaves
15 Anon
16 It borders the channel
17 Wasserstein's 1989 Pulitzer drama winner, with "The"
20 — spumante
21 Boon
22 Volunteer
23 Stare stupidly
25 Small: Suffix
26 Three-part Galsworthy opus
32 Scholars' money
33 Sideways look
34 — -la-la
35 Eden-to-Nod direction
36 Dancer Charisse
37 Recipe direction
38 Blast maker
39 Together, musically
41 "Ain't That —"
43 1984 film based on a Fuller play
46 Says further
47 Russian despot
48 Sugar or flour, e.g.
51 Ewe's call
52 "Bye-bye"
56 14th-century literary classic, with "The"
59 Choir voice
60 French river or department
61 William Morris employee
62 Radar point
63 Small fry
64 Jai alai basket

DOWN
1 "Very funny!"
2 The — Brothers (40's-50's group)
3 Night crawlers, e.g.
4 Penniless
5 Mai — (cocktail)
6 More pallid
7 Surprised cry
8 — — juice (milk)
9 Actress Bening
10 Vanya and Remus, e.g.
11 Island near Java
12 Holiday cusps
13 Relaxation
18 Mafia V.I.P.'s
19 Bury
24 Early P.M.
25 Observed
28 Part of TWA
27 Must
28 More cunning
29 Perfume ingredient
30 Not clean
31 Bern's river
32 "I Still — *Thrill*" (1930 hit)
36 Pool needs
37 Deficit
39 Nonplus
40 French philosopher Denis
41 Test, as ore
42 RR stop
44 Computer for a commuter
45 Long looks
48 Strikebreaker
49 Seven-foot, e.g.
50 Voting no
51 Statuary item
53 Tavern potables
54 Bivouac shelter
55 Hammett Schnauzer
57 Publicity into
58 Tic- -toe

TWA
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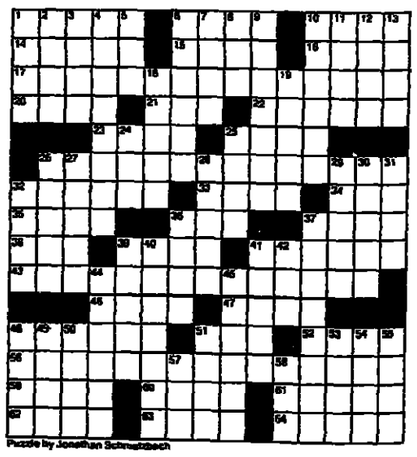

Puzzle by Jonathan Schmidbech

© New York Times/Edited by Will Shortz

Solution to Puzzle of July 8

T	R	U	D	Y		P	A	R	T		C	A	P	T
A	E	R	I	E		O	W	E	D		O	I	L	Y
D	O	G	D	A	Y	S	O	F	S	U	M	M	E	R
A	S	E	A		E	E	L	S		S	E	E	N	O
		C	H	A	D			M	E	D	E	A	S	
S	O	F	T	E	R		B	R	A	D	Y			
C	H	A	I	R		O	R	I	G			G	A	S
A	I	R	C	O	N	D	I	T	I	O	N	I	N	G
M	O	E			E	D	G	E		R	O	B	O	T
		C	O	W	S			K	A	R	E	N	S	
C	A	N	A	L	S		W	H	E	L	M			
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T	E	M	P	O	R	A	R	Y		R	E	L	I	E	F
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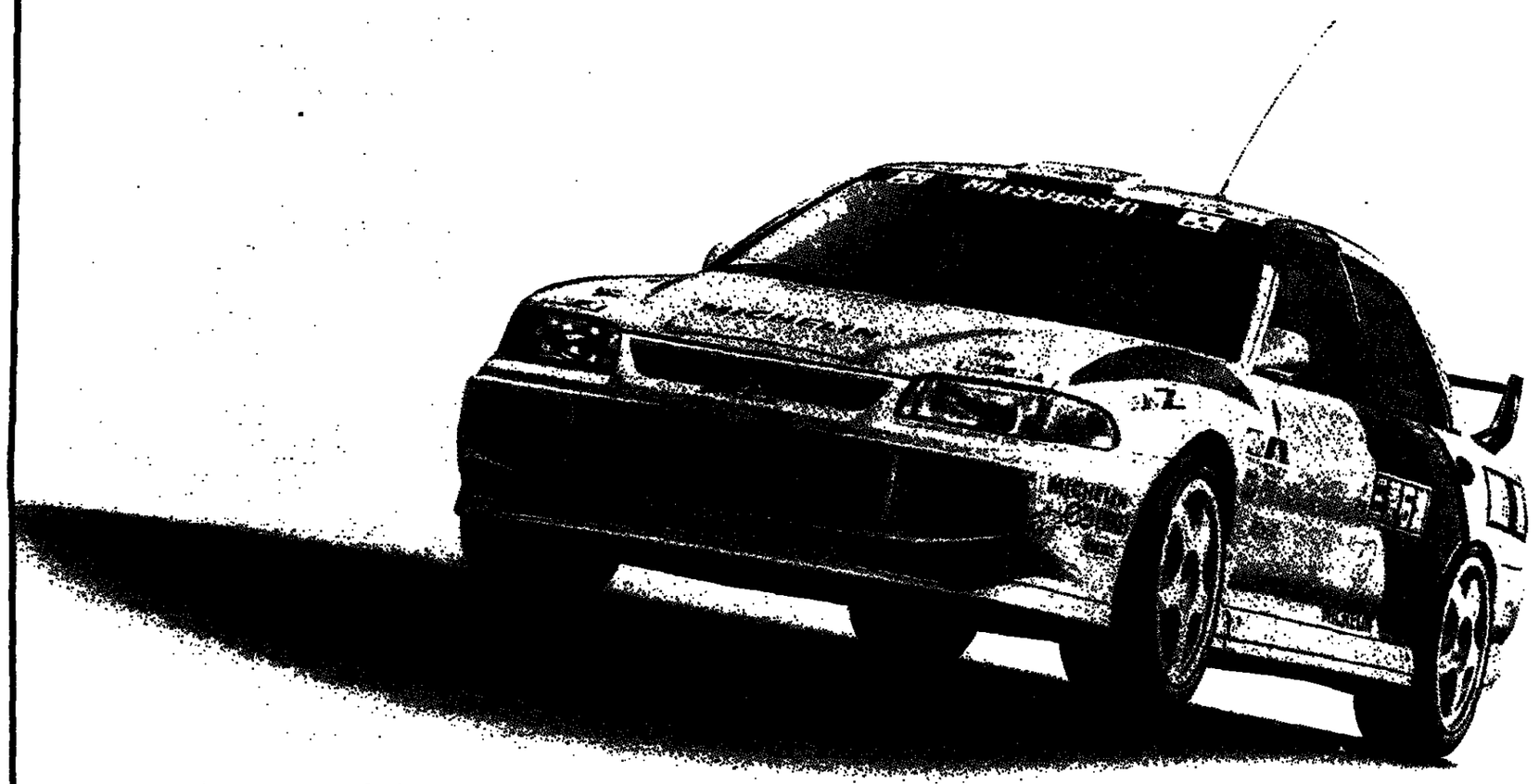
R	E	D	D		B	E	T	S		B	Y	R	D	S

1996 WORLD RALLY CHAMPIONSHIP

WORLD RALLY CHAMPIONSHIP

Winning's not our top priority...



...really. Winning is great, but it's not to be mistaken for the real objective of our '96 WRC efforts: the testing and development of new automotive systems and technologies in the harshest driving conditions on earth. And once we've got a winning technology, it's immediately adapted to our Mitsubishi production cars, making *you* the biggest winner of all.

Oh, and by the way, we did take the overall victory in Argentina.

1996 World Rally Championship Swedish Rally Overall Winner!

1996 World Rally Championship Safari Rally Overall Winner!

1996 World Rally Championship Argentina Rally Overall Winner!

MITSUBISHI MOTORS

CREATING TOGETHER

Subject to the official publication of the results by the FIA.

Bonn's Cuts Endanger Plan for a Spy Satellite

Key Project With France Now in Doubt

By Barry James
International Herald Tribune

Germany's plans to cut its public deficit by an estimated 2.5 percent next year to qualify as a founder of a single European currency could lead to the abandonment of a key satellite venture with France, officials in Bonn have warned.

France has been seeking German participation in the project to build a radar imaging satellite called Helios-2. France has placed the project at the core of French-German and European military cooperation.

But the German defense minister, Volker Rühe, warned in an interview with the newspaper Bild Am Sonntag that he would have no money to build the satellite because of federal belt-tightening.

Government spending is scheduled to be reduced next year to about 440 billion Deutsche marks ($288 billion), according to sources close to the German government cited by Agence France-Presse.

The sources said the military budget for 1997 would be cut to 46.6 billion DM from 47.1 billion DM this year, but would be increased in each of the following three years to finance existing projects such as the multinational Eurofighter.

That plane is a direct competitor to France's Rafale fighter.

Chancellor Helmut Kohl and President Jacques Chirac agreed last year that they would go ahead with the building of the satellite, which would enable Europe to free itself from reliance on U.S. satellite technology and pictures.

France recently has been touting the success of the Helios-1A, a largely French project with some Italian and Spanish participation, which has returned spectacular pictures since its launching in July of 1995, according to defense sources.

The satellite has enabled French strategic planners to break a U.S. hold over space-based intelligence. But it is an optical device, and cannot see through the clouds that cover northern Europe for much of the year.

For this reason, France wants to build a radar satellite that would be able to cut through cloud and haze and operate during the night.

The fact that Germany is publicly balking at the 11 billion franc ($2.1 billion) price tag of the Helios-2 may be part of domestic maneuvering aimed at influencing a cabinet meeting Wednesday, where the budget is scheduled to be discussed, diplomatic sources said.

At the same time, Germany and France have not fully worked out the details of the financial, industrial and scientific cooperation involved in building a new series of satellites in the early part of the next century.

Helios-2 was tentatively scheduled for launching in 2002.

Protestants Fight Police Blockading Ulster Walk

The Associated Press

PORTADOWN, Northern Ireland — Protestants determined to march through a Roman Catholic enclave rained stones, bottles and firecrackers at units of riot police on Monday, the second day of a round-the-clock standoff.

The police officers fired plastic bullets at demonstrators trying to cut through barbed-wire barriers, and again when someone threw a firebomb at an armored car.

Leaders of the Orange Order, Northern Ireland's most influential Protestant group, vowed to hold their ground for days if necessary to win the battle of wills at Drumcree Church near Portadown, 40 kilometers (25 miles) southwest of Belfast.

Several thousand Orangemen and supporters were at Drumcree. Smaller groups of Orangemen blocked roads in Belfast and towns throughout the British-ruled province late Sunday and early Monday in a bid to stretch the police to the breaking point.

At least two policemen and two protesters suffered head wounds during the night around the Protestant church at Drumcree.

Early Monday, police officers fired plastic bullets at Protestant youths trying to breach barbed-wire defenses stretched through pastures flanking the church.

Elsewhere, Protestant crowds traded salvos with policemen and set cars on fire in Londonderry, the province's second-largest town, and in Carrickfergus, north of Belfast.

In Ballymena, 25 miles northwest of Belfast, a crowd from a Protestant neighborhood was said to have destroyed 80 cars at a Ford dealership and to have damaged about 20 others.

Meanwhile, police officers found the body of Michael McGoldrick, a Catholic, shot dead in his taxi in a predominantly Catholic village near Portadown. It was not immediately known if the death was related to the disturbances.

Hurricane Strikes Eastern Caribbean

Reuters

CHARLOTTE AMALIE, Virgin Islands — The hurricane designated Bertha struck the U.S. Virgin Islands on Monday, peeling off roofs, sending tree limbs flying and causing at least one death as it headed toward Puerto Rico.

The storm claimed its first fatality when a man from the U.S. mainland who had been living in Puerto Rico drowned while surfing off Loquillo, civil defense officials said.

On Saint Thomas, where residents were still grappling with damage from a hurricane last year, the roof was torn off a home for the elderly near the island's cruise ship port. Some homes on the island have been protected only by plastic tarpaulins since last year.

Paolo Palchia/The Associated Press

MUDSLIDES IN ITALY — Water and debris covering a highway near Omegna, Italy, on Monday after heavy rain in the northern lake area caused flooding and mudslides that killed at least two people.

Islamic Militants Terrorize Bosnians

Fighters Are Said to Employ Kidnappings and Forced Marriages

By John Pomfret
Washington Post Service

TETOVO, Bosnia — Armed Islamic militants from Iran and other foreign countries are employing techniques such as forced marriage, kidnapping and the seizure of houses to remain in Bosnia in violation of the Dayton peace accord, and they may pose a threat to U.S. troops, Bosnian and U.S. officials say.

The departure of about 2,000 outside Islamic fighters from Bosnia was a condition of both the Dayton peace accord and a U.S.-led program that would arm and train the Bosnia Army.

Last month, the Clinton administration declared that the militants had left Bosnia or had been removed from the army. But Bosnian officials said they think several hundred Islamic fighters are still here.

John M. Deutch, director of central intelligence, made an unannounced visit to Bosnia Friday, and a Bosnian government source said a principal topic of Mr. Deutch's discussion with officials in Sarajevo was assuring protection of U.S. troops.

The source said Mr. Deutch's visit appeared to reflect fear of an attack in the aftermath of the June 25 truck bombing that killed 19 U.S. airmen in Saudi Arabia.

Backed by members of a political party headed by the Muslim president of Bosnia, Alija Izetbegovic, the Islamic fighters here, who call themselves mujahidin, are establishing themselves in a broad swath of central Bosnia particularly in villages around the cities of Travnik, Zenica, Zavidovici and Kakanj, Bosnians said.

The officials said most of the remaining fighters are Iranian, but some are from Pakistan, Lebanon and various Arab countries. No efforts have been made to compel them to leave, the officials said.

Throughout Muslim-controlled central Bosnia, the Islamic fighters act as a kind of paramilitary guard for President Izetbegovic's nationalist Muslim political organization, the Party of Democratic Action. Officials say they are particularly close to Semsudin Mehmedovic, the main Bosnian police official in the region and an influential hard-liner in Mr. Izetbegovic's party.

Mr. Mehmedovic has nurtured and protected these Islamic fighters as part of a plan to create a reserve force to terrorize potential political opponents, harass Serbs and Croats, and press Muslims who might not support Mr. Izetbegovic, local officials said.

He has done so, they added, with the backing of Mr. Izetbegovic's party, which appears prepared to use muscle as well as persuasion in the elections scheduled for Sept. 14.

On June 26, the United States declared that the Islamic fighters had left Bosnia or had been removed from the army and security services. The declaration helped clear the way for the U.S. military aid program. While Bosnian officials said the Islamic militants indeed had withdrawn from formal army structures, they added that many had simply gone into the police.

Some of the militants plan to remain permanently and have gained Bosnian citizenship. Some have obtained citizenship by marrying local women. In a few of those cases, the women were forced into the marriage.

Bosnian officials say an important shift is taking place among ordinary Bosnians — Muslims, Croats and Serbs — who appear to have become fed up with the lawlessness of the Islamic militants.

A case in this small village, situated near the smokestacks of what used to be Yugoslavia's biggest steel mill, illustrates the point.

Fahrudin Masinovic is a steelworker. His wife, Kasema, has a job at the post office. They raised two daughters, Eldina and Alina. When war erupted in Bosnia, Mr. Masinovic took up his gun and fought for four years. When the war ended, he returned to his job in the steel mill. In the mosque near their house, he prayed for better times.

But on June 21 someone kidnapped Eldina, 15, as she was coming from school. The kidnapping was part of a plot to wed her to an Islamic fighter so he could obtain a Bosnian passport. For two days, foreigners, working with their Bosnian allies, drugged her and held her captive, the family and police officials said.

Eldina's sister, Alina, spotted her sister's green sneakers as the captors tried to spirit the girl, cloaked in a black chador, out of the neighborhood.

Prosecutor Seeks Arrest Of Karadzic and Mladic

By Stephen Kinzer
New York Times Service

THE HAGUE — A prosecutor urged the Yugoslavia war crimes tribunal on Monday to issue arrest warrants for the two top leaders of the Bosnian Serbs, who he said were guilty of "crimes which have shocked the conscience of the world."

The tribunal said it would decide on Thursday whether to issue warrants for the two, Radovan Karadzic, president of the self-proclaimed Bosnian Serbian republic, and his military commander, General Ratko Mladic. Both men are charged with having overseen the massacre of thousands of Muslims around the Bosnian town of Srebrenica last year.

"Karadzic's and Mladic's perfidious and cowardly deeds will long be remembered," the prosecutor, Mark Harmon, told the tribunal. "What should not be remembered is that the world had the ability to bring these two alleged architects of genocide to justice and did nothing."

Mr. Harmon said the two had acted with "fury and cruelty," directing "tragic massacres" that "annihilated a generation of Srebrenicans and left thousands of widows and orphans."

As he spoke, investigators for the tribunal posted guards around a suspected mass grave site 35 kilometers (22 miles) west of Srebrenica, near the town of Cerska. A multinational team of 290 forensic pathologists and other specialists arrived at the site Sunday. Earth-moving equipment was standing by to begin an exhumation.

With forensic evidence of mass killings at Srebrenica now emerging, calls are mounting for the arrests of Mr. Karadzic and General Mladic. The tribunal's rules do not allow it to try defendants in absentia.

Under terms of the Bosnian peace accords, local police forces are responsible for arresting indicted war criminals. Since the Bosnian Serb police force is evidently not going to move against the two men, some officials are urging the United Nations force in the region to capture them. Commanders of the force have said they are ready to make an attempt, but warn that casualties should be expected.

A decision by the tribunal to issue arrest warrants would not force UN soldiers into action. It could, however, tip the balance of opinion and lead senior diplomats and military officers to order such action.

■ Pressure on Karadzic's Party

The overseer of this fall's elections in Bosnia said Monday that Mr. Karadzic's political party would not be allowed to take part in the elections unless Mr. Karadzic gave up any position of power in the organization, The Associated Press reported from Stockholm.

The statement by Robert H. Frowick, the American who heads the mission organizing the Sept. 14 elections, was the strongest by a senior diplomat on the matter and increased the pressure on the Serb Democratic Party to break its links with the man who led the Bosnian Serbs during 3½ years of war.

Mr. Frowick, speaking to the parliamentary assembly of the Organization for Security and Cooperation in Europe, said: "Until now, we have looked to others to muster the political will to bring those indicted for war crimes to trial. But we have looked in vain."

He added: "I plan to use the prerogatives at my disposal as head of the OSCE mission in Sarajevo and chairman of the Provisional Election commission at least to deny the SDS eligibility for participation in the elections as long as it defiantly insists on retaining Mr. Karadzic in a party office."

TURKEY: *Islamists Win Confidence Vote*

Continued from Page 1

orientation, while developing its ties to Islamic countries.

Opposition to the Islamists coming to power, something many believed unthinkable in overwhelmingly Muslim but staunchly secular Turkey just a few years ago, has been worn down by nine months of political instability and the inability of the country's bitterly divided secular parties to come up with solutions to the country's problems.

Many among the country's powerful elite, which includes the military and business community as well as the political class, refused to acknowledge the growing power of the Welfare movement, even after the party swept municipal elections in 1994, and continued building its grassroots movement, enabling it to emerge victorious with 21 percent of the vote in December's parliamentary elections.

A secular center-right coalition was set up to block the Islamists' path to power after the December vote, but was brought down by the Welfare Party's opposition efforts and the incessant internal squabbling between Mrs. Ciller and her coalition partner, Mesut Yilmaz, the leader of the Motherland Party.

The impotence of that coalition led many Welfare opponents, especially in the business community, to begin accepting the idea of letting the Welfare Party try its hand at solving the problems of chronic inflation, ballooning public deficits, Kurdish insurgency and social unrest that are plaguing the country.

The moderating effect of Mrs. Ciller's party and the presence of the discreet but powerful military, who have vowed to defend the secular nature of the Turkish republic, provide guarantees that Mr. Erbakan will not be allowed to radically alter Turkey's traditional pro-Western course, analysts said.

BRIEFLY EUROPE

France Wiretapped Politician's Advisers

PARIS — French government agents wiretapped advisers to the centrist leader François Léotard shortly after a conservative, Jacques Chirac, was elected president last year, French media reported.

The Defense Ministry acknowledged Monday that it had ordered the wiretaps for reasons of "national security," Reuters reported.

The newspaper Le Monde quoted unidentified sources as saying the taps were aimed at discovering if cash from Saudi arms sales had been diverted to former Prime Minister Edouard Balladur's presidential campaign.

Mr. Léotard, head of the Union for French Democracy, was defense minister under Mr. Balladur, a conservative rival of Jacques Chirac's for the presidency.

The newspaper said the wiretaps were authorized by Mr. Léotard's successor as defense minister, Charles Millon, and were put in place by security forces under the control of the Defense Ministry. *(AP)*

Heath Chides Tories

LONDON — Former Prime Minister Edward Heath delivered a rebuke to his own party managers and anti-European rebels on Monday, saying the British government's election tactics were flawed and that Britain must remain at the heart of Europe.

Mr. Heath said Conservative attempts to portray the opposition Labor Party and its leader, Tony Blair, as dangerous would fail to convince voters, many of whom could not remember life under the last Labor administration 17 years ago.

Mr. Heath, who was prime minister from 1970 to 1974, attacked anti-Europeans for trying to hijack the ruling Conservatives.

"It's got to be Britain at the heart of Europe," Mr. Heath said on BBC radio in an interview prior to his 80th birthday. *(Reuters)*

NATO in Bulgaria

BELENE, Bulgaria — Former Cold War rivals mingled Monday near this small Danube town as part of an ambitious NATO-led Partnership for Peace exercise aimed at forming a multinational peacekeeping and disaster relief unit.

At the Belene training center, 250 kilometers (150 miles) north of Sofia, NATO forces from the United States, Greece and Turkey were joined by troops from Bulgaria, Malta, Moldova and Romania in the first land maneuvers in this country under the Partnership for Peace program.

The weeklong exercise, dubbed "Cooperative Determination '96," focused on creating a battalion capable of assisting in humanitarian relief programs, disaster assistance and peacekeeping. *(AP)*

Calendar

EU events scheduled for Tuesday

BRUSSELS: Hong Kong's governor, Chris Patten, meets the European Commission president, Jacques Santer, and other senior EU officials.

BRUSSELS: The EU monetary commissioner, Yves-Thibault de Silguy, and the justice commissioner, Anita Gradin, meet with Finance Minister Erik Aasbrink of Sweden.

BRUSSELS: The EU competition commissioner, Karel van Miert, meets with Spain's minister for public works, Rafael Arias Salgado.

BRUSSELS: Mr. de Silguy and the internal market commissioner, Mario Monti, meet Finance Minister Peter Medgessy of Hungary.

BRUSSELS: Full session of the EU Social and Economic Commission.

(Sources: AFP, Agence Europe)

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Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

TV: *2 Media Giants Unite in Europe*

Continued from Page 1

$2.24 billion to buy the non-U.S. television rights for the soccer World Cup finals of 2002 and 2006.

In London on Monday, Sam Chisholm, chief executive of BSkyB, touted the new alliance with the Kirch Group, saying it would provide significant benefits to both companies. Mr. Chisholm explained the collapse of the original four-way deal with Bertelsmann and Canal Plus by saying, "The parties had differing perceptions of their different roles. A business plan was never agreed."

In Paris, Canal Plus declined to comment, although Marc-André Feffer, a senior executive, would not exclude a joint-venture deal in the German pay-TV market with either Bertelsmann or Mr. Kirch. Industry analysts speculate that a deal with Mr. Kirch is now more likely for Canal Plus.

Analysts generally welcomed the BSkyB-Kirch deal.

Andrea Kirkby, a media analyst for the Daiwa Institute of Research in London, said: "It will be difficult for Bertelsmann and any combination of allies to come up with anything that can challenge this."

She added: "If they can make the marriage work, then I think that BSkyB and Kirch should win the battle for the German digital market, but watch those personalities because there are some big egos in these two companies."

"With Kirch, BSkyB has got a deal with a system that is up and running and in the digital television game that is the nec plus ultra today. With Bertelsmann, they faced something that might be up and running in six to twelve months."

"In BSkyB, Kirch has a partner that is the only European operator ever to run a multichannel pay television service properly."

Erik Ipsen in London contributed to this article.

Machete Attack At U.K. School

Reuters

WOLVERHAMPTON, England — A man wielding a machete attacked six children, a teacher and two other adults at a primary school here, the police said Monday.

The adults and four of the children were wounded in the attack at St. Luke's Church of England Infants School, where pupils are aged from 4 to 7. An ambulance service spokesman said one child had severe lacerations to the right arm and the others, including the teacher, had stab wounds to the face and neck.

A doctor at New Cross hospital in Wolverhampton said that one child and the teacher had severe but not life-threatening injuries to the head.

Witnesses said the children had been picnicking in a playground when a man jumped over a fence and attacked. Witnesses also said that a man about 35 years old had been arrested after a police search of the area by helicopter.

POLAND: *Role in Regional Stability*

Continued from Page 1

minded wing. His hard work, helped enormously by the organizational base of the party, led the newly fashioned coalition of the Democratic Left Alliance to victory in parliamentary elections in 1993.

Last fall, Mr. Kwasniewski waged a stiff presidential campaign, emphasizing his commitment to Western reforms, his youth and his no-nonsense approach to government. He squeaked out a victory over Lech Walesa, the incumbent and Solidarity hero who helped break the Communist regime.

Mr. Kwasniewski's harshest critics warned that, with a presidency and Parliament controlled by the same party led by former Communists, Poland could slide away from its Western orientation. His first days of victory were clouded by a spy scandal that led to the loss of his friend and then-prime minister, Jozef Oleksy. But today, with popularity ratings of 64 percent, Mr. Kwasniewski has won grudging respect from those who championed the toughest economic reforms.

Mr. Walesa's problem, several of those people said ruefully, was an intellectual laziness and undisciplined approach to governing. Mr. Kwasniewski, his detractors admit, is nothing if not tough, calculating and driven to see how far he and Poland can go.

"We do not regard Kwasniewski, as the enemy," said Leszek Balcerowicz, the architect of Poland's market reforms and leader of the centrist Freedom Union. "We're not going to be members of his team, but we realize we have common goals for Poland."

Mr. Kwasniewski has traveled widely in Europe, including Eastern Europe, to promote Poland's security and trade interests. Another desire, he said, has been to break out of Western stereotypes. A president known to keep a boom box on his desk, he is a product of his generation.

INTERNATIONAL

India Is Leading in HIV Infections

AIDS Conference Also Hears of Prevention Gains

By Lawrence K. Altman
New York Times Service

VANCOUVER, British Columbia — India has quickly emerged as the country with the largest number of people infected with the AIDS virus, only a few years after it was first detected there, the head of the United Nations AIDS program said as the 11th international AIDS meeting opened here.

More than 3 million of India's 950 million people are infected with HIV, the virus that causes AIDS, which apparently began circulating in the subcontinent about a decade later than in the United States, where the disease was first recognized in 1981, said the UN official, Dr. Peter Piot.

Nevertheless, impressive gains in preventing the disease are being made in several regions of the world, illustrating the varying patterns in which HIV has spread, Dr. Piot said, with the incidence of new infection rising in some areas, like India, stabilizing in others, like the United States, and decreasing in countries like Thailand and Uganda.

The apparent success of combinations of anti-HIV drugs means that "nobody can call AIDS an inevitably fatal, untreatable disease anymore," he said.

Opening the meeting Sunday in the arena where Vancouver's professional basketball and hockey teams play, Doreen Millman, a 63-year-old grandmother, sitting alone at the center of the stage, brought the 15,000 participants to their feet, cheering, when she said: "How did I get infected? The answer is very simple: It just doesn't matter."

A co-chairman of the meeting, Dr. Martin T. Schechter of Vancouver, said the world was "at a crossroads in the history of the HIV epidemic" because, after many years, "we are beginning to see glimmers of hope." But he warned that many governments "are drifting toward indifference at this critical juncture."

Another co-chairman, Dr. Michael V. O'Shaugnessy of Vancouver, cautioned that despite the prospect of favorable news about AIDS therapies, "there will be a lot of overstatement of results."

Eric L. Sawyer of New York City, an advocate for people with AIDS, criticized leading researchers and drug companies for creating an overoptimistic mood in suggesting that combinations of new and old drugs might become a cure.

"If you think the cure is here, think again," Mr. Sawyer, who has AIDS, said at the gathering, which has drawn people from 125 countries. "The cure is not here. We are a long way from a cure, even for the rich who can afford the treatments."

"People with AIDS need access to treatments, not false hope," he added.

He called on drug companies to lower prices to make newer therapies available to more people, particularly in developing countries.

There are 22 million people in the world infected with the AIDS virus, with 8,500 new infections occurring each day, including 1,000 in children, health officials said. Two-thirds of the infections are in sub-Saharan African countries, which unlike the rest of the world, have more infected women than men.

Trailing India in the number of people infected are South Africa, with 1.8 million cases; Uganda, 1.4 million; Nigeria, 1.2 million, and Kenya, 1.1 million, Dr. Piot said.

In the United States, the number of infected people in 1992 — the latest year available — was estimated at 650,000 to 900,000, said Dr. John M. Karon of the Centers for Disease Control and Prevention in Atlanta. The number of infected Americans no longer appears to be increasing rapidly, and may even be declining in some groups, he said.

No country is free of HIV infection, nor is any province of India or China, Dr. Piot said. The number appears to be rising rapidly in many groups. For instance, in the Indian state of Manipur, the infection rate has tripled among intravenous drug users to 65 percent since 1991, he said.

He said that in China infections were rising in cities like Beijing and Shanghai and among drug users in Yunnan Province on the border with Burma. Areas of China are also experiencing a resurgence of sexually transmited diseases, which experience shows closely parallels the incidence of HIV infection.

A range of AIDS prevention programs is credited by U.S. officials for a more favorable trend in infection rates in the United States. For instance, the number of new infections in San Francisco has dropped to about 1,000 a year from 8,000 a year in the early 1980s.

In Uganda and Thailand, public education about safer sex practices has led to decreases in the number of sexual partners, increased fidelity and abstinence and dramatically reduced new infections.

Such success shows that "countries do not have to be rich to be successful," Dr. Piot said, adding, "If Uganda, one of the poorest countries in the world, can reverse its HIV trends, so can other countries."

Many participants have urged countries to be bolder about prevention, citing the billboard and television advertisements promoting condoms in Switzerland and messages in religious sermons in countries like Pakistan.

Chuck Stoody/The Associated Press

Activists marching in Vancouver before the AIDS conference opened.

"If a country with strict religious norms like Pakistan can broadcast almost daily TV messages about AIDS, others can too," Dr. Piot said.

"The AIDS problem will not be solved in any country until it is solved everywhere," Dr. Piot said, agreeing with many others that such a goal could not be accomplished until a vaccine is developed.

U.S. and China Open Talks on 'Strategic' Ties

Reuters

BEIJING — Chinese state radio said Monday that W. Anthony Lake, the U.S. national security adviser, had held wide-ranging talks with a senior Chinese official, during which both agreed to take a long-term, strategic view of relations.

Mr. Lake arrived in China on Saturday on a trip that diplomats have described as a vital step toward improving Chinese-U.S. relations, and on Monday he met Liu Huaqiu, foreign affairs director of China's State Council, or cabinet.

U.S. Embassy officials confirmed that Mr. Lake had held talks with Mr. Liu, but gave no details.

"The talks covered Sino-U.S. relations and international and regional issues of common interest," state radio said, "and were wide-ranging and deep."

"Both sides believe that they should take a strategic and long-term view of how to assess and manage Sino-U.S. relations," it said.

"The two countries should maintain the principles of improving confidence, reducing trouble, developing cooperation and not making conflict," it continued.

Mr. Lake, the most senior American visitor to China since Secretary of State Warren M. Christopher and Defense Secretary William J. Perry in 1994, was to meet President Jiang Zemin and other leaders on Tuesday.

His visit was the latest signal of an upswing in Chinese-American ties, chilled in recent months by disputes over Taiwan, human rights, copyright piracy and nuclear proliferation.

In Burundi, Massacres Go On as Hutu and Tutsi Squabble Over Peace Troops

By James C. McKinley Jr.
New York Times Service

TEZA, Burundi — The dead were laid out on the ground in front of the still-smoldering tea factory. Someone had covered a few of the bodies with old shawls and rags. People who had come to find their relatives tiptoed down the line of the dead, gingerly picking up the rags with shaking hands.

One woman lifted the corner of a bloody cloth, caught her breath and began to cry. There was a baby underneath. The baby's head had been hollowed out by a bullet fired from close range. The skull was empty, fragile, a broken gourd. The eyes were missing. The child was not her kin, but that did not matter.

This was the aftermath of yet another massacre in this country's savage three-year-old civil war, a conflict in which, more often than not, the dead are not soldiers but women and children.

More than 150,000 are believed to have been killed in similar attacks since October 1993, when Tutsi officers assassinated the first Hutu president in a failed coup, setting off a cycle of bloodshed.

This time the victims were workers from the Tutsi minority at a tea plantation and factory here in the green and mountainous country about 50 kilometers (30 miles) northeast of the capital.

Survivors of the attack said hundreds of Hutu guerrillas emerged from the forests of the adjacent Kibira National Park at about 6 A.M. on Wednesday.

"There were so many of them I couldn't count them," said 15-year-old Joseph Muvumyi, who lost his father, a watchman, in the attack. "When they came and started shooting, I ran and hid in the bushes."

The killing lasted until 1:30 P.M. When it was over, the tea factory was in flames and bodies littered the plantation, witnesses said.

The number of dead remains unclear. The army says at least 83 civilians and two soldiers were killed. Reporters who visited the site on Friday counted at least 36 dead at the factory and in nearby houses and a school. United Nations investigators counted 62 corpses, including the charred bodies of 16 infants and young children in one house.

What was certain was that most of the victims were Tutsi women and children.

Witnesses told of scenes of panic, of people caught in their morning routines trying to flee, of children being shot in the back as they ran, of women being hacked down with their children, of houses being set afire with dead and dying people inside.

A small patrol of government soldiers, who were on duty to protect the factory, fled into the mountains after the first shots struck two of them, survivors said. The guerrillas set fire to several houses, then to the factory and the tea fields.

"The attackers seemed to know the place," said one survivor, Remy Nzokurishaka, 26, a worker at the plantation. "They came and surrounded the Tutsi houses. The soldiers were too few to defend people and ran away. When the armed men saw there was no one to protect people, they attacked. These attackers had ethnic ideas."

Some people were apparently trapped in burning houses.

On both sides, the strategy is to terrorize the population. The fear runs so deep among Tutsi in the capital that many have not visited their relatives in the countryside for more than two years. At the same time, few Hutu are willing to stay in the city after dark.

News of the latest massacre filtered into the capital Thursday, just hours before the National Security Council met to discuss a Western-backed plan to deploy troops from neighboring nations to stop the violence.

Negotiated by Julius K. Nyerere, the former Tanzanian president, and approved by six regional heads of state, the plan has become bogged down in squabbling between the Tutsi prime minister and the Hutu president over who would command the force and what the mission should be.

MEXICO: *Drug Cash Warps Nation's Life*

Continued from Page 1

are using their fortunes to corrupt the police, politicians and legitimate financial institutions in a way that is threatening the growth of democracy in Mexico and stimulating the flood of drugs.

"Mexico has become one of the most important money-laundering centers in the Western Hemisphere," a State Department drug report says. The major reason cited by law enforcement officials is the porous and heavily traveled border with the United States, which makes it easy to smuggle bulk loads of cash into Mexico.

Increasing economic ties between the two countries following adoption of the North American Free Trade Agreement make illegal monetary transactions harder to detect. The growing sophistication of the drug mafias and world financial systems makes it possible to transfer electronically the same funds dozens of times between many countries in a matter of hours. Relatively weak Mexican banking regulations and criminal and financial laws attract "dirty money."

Mexican drug cartels are corrupting not only their own country's financial systems.

The U.S. Justice Department, forced to act on mounting evidence gathered by Swiss investigators over the last year, is investigating whether one of America's premier banks — New York-based Citibank — knowingly helped Raúl Salinas de Gortari, a brother of Mexico's former president, launder tens of millions of dollars from drug deals or illegal business transactions by transferring money through Citibank to accounts in Switzerland.

Citibank has denied any wrongdoing in the case.

Criminals launder money raised from illegal activities — drug deals, extortion or kickbacks, for instance — to make it appear that their income has a legitimate source. They can then use the laundered money with less fear that law enforcement agencies will detect their illegal activities or seize the money as the proceeds of crime.

With the growth in wealth and power of Mexico's major drug mafias, kingpins have a problem of plenty. They receive huge amounts of cash in the United States, generated by street sales of drugs, and must find ways to return the money to Mexico or deposit it in the U.S. banking system without attracting the attention of law enforcers.

Most critical to any money-laundering system is getting cash into a financial institution on either side of the border. Once the cash is in a bank, electronic international banking complicates law enforcement officials' efforts to follow the money trail.

U.S. authorities are concerned about the potential of money launderers using encrypted "e-cash," or computer e-mail transactions, as well as smart-card technologies to "transfer funds around the world," U.S. Deputy Treasury Secretary Lawrence J. Summers said.

Harold D. Wankel, chief of operations for the U.S. Drug Enforcement Administration, told the House Banking and Financial Services Committee this year: "With today's sophisticated banking techniques, including the electronic transfer of money, once the money enters into the banking system, it can be transferred among dozens of banks within a 24-hour period, making the paper trail either impossible or extremely time-consuming to follow."

One of the simplest and most popular methods of disposing of drug dollars remains loading them in the trunk of a car and driving across the border to Mexico, where the cash can be deposited in banks. But the sheer volume of the cash is making the simplest method the most risky.

More drug lords are looking for ways to stash their cash at least temporarily on the U.S. side of the border. Mexican drug lords employ armies of "smurfs" — couriers who visit a dozen banks a day, converting just under $10,000 in cash (the level at which banks are required to file a report to the Internal Revenue Service) into cashier's checks, which are much easier to smuggle across the border into Mexico for deposit in banks there.

Another way to dispose of cash north of the border is the use of money exchanges that serve the tens of thousands of Mexicans who migrate to work in the United States and send money back to their families in Mexico.

Workers give dollars they have earned to the exchange houses, which in turn remit pesos to accounts inside Mexico. Drug mafias take advantage of this system by intermingling cash from drug transactions with legitimate dollars.

Scott Sady/The Associated Press

FLOWER FOR A REBEL — A Mexican girl giving the masked Zapatista commander Tacho a carnation at the close of a weekend conference on the insurgents' demands for reforms, held in San Cristobal de las Casas.

Kornblum Confirmed For Holbrooke's Post

Washington Post Service

WASHINGTON — The Senate approved two new assistant secretaries of state, Barbara Larkin for legislative affairs and John Kornblum for Europe. Mr. Kornblum replaces Richard C. Holbrooke, a central figure in the creation of the Dayton peace accord for Bosnia.

The Senate also confirmed the following ambassadorial nominees:

Madeleine Kunin (Switzerland); Avis Bohlen (Bulgaria); Marisa Lino (Albania); Thomas Hubbard (Philippines); Wendy J. Chamberlin (Laos); Donald J. Planty (Guatemala); Lino Gutierrez (Nicaragua); Leslie Alexander (Ecuador); Dennis C. Jett (Peru); James F. Creagan (Honduras); Glen R. Rase (Brunei); Arlene Render (Zambia); Tibor Nagy (Guinea); Alan McKee (Swaziland); John Hicks (Eritrea); and A. Vernon Weaver (European Union).

JAPAN: *An Eye-Opening Look at Prisons*

Continued from Page 1

(about 25 pounds) of marijuana into Japan, filed a suit on July 2 asking for about $90,000 in damages. He is believed to be the first American to sue the Japanese prison authorities.

Japanese prisoners are planning lawsuits as well, and there are now an estimated 125 lawsuits in the courts.

Mr. Mara's case seems to be unusual. Most prisoners follow the rules scrupulously, partly because of what happens to those who resist, said Toshikumi Murai, dean of the law department at Hitotsubashi University. As a result, many are released early on parole for good behavior.

But Mr. Murai, who has visited prisons in China, South Korea, Europe, and the United States, says discipline in Japanese prisons is the strictest he has seen. "In Japan," he said, "some prisons have no walls, just bamboo fences, and all the prisons have no armed guards with guns. But inside, inmates have no right to an appeals system, and they don't have the right to conversation on the job." Japanese officials say prison conditions are not as bad as human rights organizations suggest. They acknowledge that rules are strict, but they emphasize that this is an effort to build discipline and teach inmates the importance of obeying society's rules so they will not get in trouble again.

Moreover, the strictness of the rules means that there is no chance for gangs to develop in Japanese prisons.

Fights among inmates do happen, as Takashi Akemitsu can attest. Mr. Akemitsu, 69, who has spent nearly four decades in different prisons in Japan, was first jailed for theft, and later killed another inmate in a fight.

On another occasion, when Mr. Akemitsu got into a fight with an inmate, jailers rushed him to a "protection cell," where he was harnessed by a copper-plated leather belt with his hands cuffed to the belt.

"At night they came in and offered me a meal of rice and *miso* soup," said Mr. Akemitsu, who was released in May. "They helped me eat and drink, and then they tightened the belt further. I almost suffocated, and I vomited.

"They pushed on my back again, tightened the belt more, and locked it. I thought they would kill me."

World Court Rules Nuclear Arms Aren't Illegal in Themselves

The Associated Press

THE HAGUE — The World Court said Monday that nuclear weapons did not violate international law, but warned that their use was lawful only in self-defense by states threatened with extinction.

In an advisory opinion, the court said that the use of nuclear weapons should be compatible with international humanitarian law governing the treatment of combatants and civilians in wartime.

But it also said that "the threat or use of nuclear weapons would generally be contrary to the rules of international law applicable in armed conflicts, and in particular the principles and rules of humanitarian law

In the decision, the court's president, Mohammed Boujaoui of Algeria, concluded by saying "there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament."

The court's position was a disappointment to the nuclear disarmament movement.

SPREE: *Warning Signs in U.S.*

Continued from Page 1

tial economic strength," said Sung Won Sohn, the chief economist at Norwest Corp. in Minneapolis.

"It's a very important part of the picture, and apparently consumers are not ready to stop spending."

Just how long consumers can carry on with their free-spending ways, however, remains an open question and one that is critical to policymakers at the Federal Reserve, as they decide whether to raise interest rates to keep the economy from accelerating enough to generate increased inflation.

Some economists believe that consumers have amassed so much debt that they will be forced to rein in their spending for the rest of the year, resulting in a slackening of economic growth. Credit-card delinquencies in the first quarter were at their highest level since 1981, and personal bankruptcies were up 15 percent from the first three months of 1995.

The ratio of total household debt to after-tax personal income is at record levels, said a report from the Jerome Levy Economics Institute at Bard College.

The report said a recent survey by the Fed of the willingness of banks to make consumer loans had shown a sharp drop, suggesting that banks were increasingly concerned about the ability of their customers to make loan payments and would clamp down on credit.

Most economists also agree that the surge in spending this year has been driven in large part by temporary factors — including low interest rates, higher-than-expected tax refunds and rebates from auto makers — that have been reversed or phased out.

Long-term interest rates have been pushing higher since March, making mortgages and other loans more expensive. Though sales of new homes in May were at the highest level in a decade, housing analysts expect higher rates to restrict sales of new and existing homes in coming months, cooling off one of the most important sectors of the economy.

The run-up in interest rates has already ended a boom in mortgage refinancings that swept the country last year. By renegotiating home loans at lower rates, many consumers benefited from increased disposable income that they spent during the first half of this year on cars and other goods and services.

Tax refunds have long since been sent to most people who are getting them. And after generating strong sales with rebates and special promotions, car makers saw sales level off or decline last month.

"It seems likely that most of the factors that helped accelerate the economy are no longer providing a boost," said John Lipsky, the chief economist at Salomon Brothers in New York.

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Work With Turkey

Turkey, a key U.S. military ally straddling Europe, Central Asia and the Middle East, now has its first Islamic-led government since Mustafa Kemal Ataturk overthrew the sultans and proclaimed a secular republic in 1923. Despite assurances from Prime Minister Necmettin Erbakan that he wants continued cooperation with the United States, his rise to power could make Ankara a less cooperative partner for Washington on issues like Israeli-Arab relations and U.S. relief assistance for Iraqi Kurds. But America would serve its own best interests and its democratic principles by extending the hand of friendship.

Mr. Erbakan's Welfare Party earned its right to form a government in last December's parliamentary elections. Backed by millions of poor urban voters disillusioned by the corruption of secular parties and attracted by Welfare's subsidized food prices and expanded public services, it won 21 percent of the vote, more than any other party. But the first post-election government was formed by a coalition of secular center-right parties that between them won nearly 40 percent. When the coalition fell apart over personal rivalries, Welfare got its turn.

During most of Mr. Erbakan's 25-year political career, his ambitions have been thwarted by Turkey's powerful, secularist military. Military interventions led to the banning of several parties he formed, and a military regime in the early 1980s convicted him on charges of trying to create an Islamic state. His views have moderated over the years. He now pledges to maintain Turkey's secular character and to play by the democratic rules that brought him to power. But army leaders are concerned that he might endanger Ataturk's secular legacy and are sure to monitor his policies closely.

Mr. Erbakan's majority parliamentary support rests on the backing of former Prime Minister Tansu Ciller, who expects to alternate with him as prime minister. But some members of her secular party have refused to back the new alliance, putting the new government's survival in doubt.

Mrs. Ciller's improbable alliance with Welfare could provide her with parliamentary protection from prosecution for alleged corruption during her own term in office. Her prominent role, and her party's control over the foreign, defense and interior ministries, offer the military reassurance that the new government will not deviate too far from secularism.

But while the basic tenets of secularism appear safe, Turkish foreign policy could veer in a more nationalist and Islamic direction.

On Cyprus, where the rise of a moderate new Greek government has brought hope of a compromise to end two decades of partition and partial Turkish military occupation, Mr. Erbakan is likely to endorse the army's hard-line stance.

On the Middle East, where Turkey recently signed a strategic cooperation arrangement with Israel, Mr. Erbakan favors a pro-Arab tilt, perhaps including a softer line on Saddam Hussein. But drastic shifts in Middle East policy seem unlikely, given Turkey's long-standing quarrels with Syria and Iraq and the military's strong links to the West.

Washington would do best by working to maintain as much continuity and cooperation as possible with this NATO ally now experimenting with democratic Islamic rule.

— THE NEW YORK TIMES.

Fed Up With Assad

Syria's president, Hafez Assad, is widely labeled as a sponsor and leading facilitator of Palestinian terrorists who wield their wicked bombs against Israelis. So widely labeled, in fact, that the information tends to lose its shock value and to become a part of the normal political buzz, something that requires no special response in attitude or policy. Against that background, it was interesting to read two stories the other day. The Washington Post reported that U.S. investigators had identified individuals who surveilled U.S. housing in Saudi Arabia before the June 25 bomb that killed 19 soldiers and who had passed through Syria and perhaps other Middle East nations. The New York Times wrote that Syria supports the Kurdish terrorist and separatist group known as the PKK, whose leader maintains a residence in Damascus and whose guerrillas are "armed and sheltered by the Syrian government."

A Syrian touch in Saudi Arabia? A Syrian hand in Turkey? Plus who knows what? The facts and their operational implications are always hard for outsiders to confirm in these affairs, but there seems little reason to doubt that Syria is a full-fledged, equal-opportunity terrorist. It does not confine its machinations to Israelis. Rather, it uses these tactics against a variety of political foes — sometimes, of course, against its own citizens.

The common link is that it does not accept the international rules, written and unwritten, that attempt to influence states to put certain limits on the conduct of their disputes and rivalries with each other. The regime of Hafez Assad is prepared to play very dirty against just about anyone.

To contemplate the full and banal viciousness of this man, who is often pictured smiling inoffensively, is to wonder why anybody who didn't absolutely have to would deal with him at all. In recent years, Israel and the United States gave it a go. In both countries, successive administrations of the major parties sought terms of accommodation. These efforts failed.

You might have thought that, once deprived of his Soviet patrons, President Assad would have acted on his strategic isolation and taken cover in an agreement; a moderate Israeli politician, Shimon Peres, was available. But for his own reasons Mr. Assad held back, thus helping to elect the new Israeli leader, Benjamin Netanyahu.

Mr. Netanyahu evidently sees no reason to pay Syria for halting terrorism. He takes office with a hard line. That does not address every concern that lies between the two countries, but it is not a bad place for Mr. Netanyahu to start, and he deserves American company.

— THE WASHINGTON POST.

Mongolian Progress

The big electoral news from the old Soviet empire comes out of Moscow, but things are also interesting in Ulan Bator, capital of Mongolia, which is basking in international regard for its own multiparty elections. The vote threw out the holdover (renamed) Communists and brought in the democratic free market opposition. This result consummates a second, internal stage (the first was the empire's collapse) of Mongolia's post-Cold War liberation.

In a typical Mongolian village, the wood building is city hall and the brick building is the Communist Party headquarters. Such advantages in resources and organization are what led many to expect the party to rise above its record and again to prevail. But the opposition organized diligently and took advantage of the burdens that circumstances (awful prairie fires) as well as Communist misrule had inflicted on the country. From five seats in 1992, the opposition coalition won 50 seats in the Parliament on June 30. It seems that, in Ulan Bator as in Moscow, the electoral process was free and fair, and power is now passing peacefully.

For their pains, the winners get the chance to follow the example of other nations freed from the Soviet model and to conduct a test of the local applicability of free market principles. It will doubtless mean a further wrenching austerity for already hard-pressed Mongolians. But especially the younger part of the electorate appears ready for the rigors of self-rule.

Under a new democratic regime, Mongolia should find it easier to look beyond its two neighbors, Russia and China, for relevant advice and also for material support.

The very idea of an open society is its own chief engine. This is how Mongolia and the rest come to turn, in their various ways, to democracy and a free market. To get there, however, these nations in transition need many helping hands. The international institute run by the Republican Party, applying techniques used elsewhere by its Democratic counterpart, worked years on practical democracy-teaching projects in Mongolia. Heavy hitters, including Republican Jim Baker and Democrat Chuck Robb, turned up to observe and validate the contest. It all helps.

— THE WASHINGTON POST.

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For Persuasion and Pressure to Rescue Algeria

By Gilles Kepel and Andrew J. Pierre

WASHINGTON — Recent ambushes and car bombings in Algeria, and the slaughter of seven French monks by radical Islamic guerrillas, are horrendous reminders that the civil war is not over, in spite of Lamine Zeroual's election as president last November. Algeria's friends in the West must become more active in helping find a solution to the crisis.

In four years of bloody conflict a minimum of 60,000 have died. The contending political forces have dug themselves into a hole from which they seem unable to climb out on their own.

Contrary to the wishful thinking of some, the election of Mr. Zeroual was not a victory for democracy. The main Islamic party, the Islamic Salvation Front, was disenfranchised and in turn had called for a boycott. The voter turnout was greater than expected. A large majority of Algerians were simply desperate for peace and a way out of the brutal conflict.

Mr. Zeroual's proposals for political and economic reform in the half-year since the election remain vague. No date has been set for promised parliamentary elections that are essential to restoring legitimacy. It was the disregard of the last legislative elections by the military, in 1992, that began the current crisis.

Algeria is run by an insular military regime equipped with Russian arms and backed by a small establishment that clings to its privileges. Intellectuals and the cosmopolitan elite have long left or been killed. Many parts of society feel excluded from political life, especially the 70 percent who are under 35. High unemployment and severely inadequate housing have led to much dissatisfaction and unrest. All this makes fertile ground for those advocating the virtues of a nebulous "Islamic state."

The Islamic groups, however, have split into competing factions and are unable to negotiate collectively. As for former General Zeroual, his ability to maneuver is limited by struggles within the regime. For more than four years, no significant negotiations have taken place among Algeria's major political forces.

Instead, the contest has taken place between the government's security forces and the armed insurgents, in the countryside and also in the cities, with terrorist bombings. But neither side will win by military means. The conflict is stalemated.

The West should seek to jump-start a process of reconciliation. This responsibility falls especially on France and the United States, the two nations with the most direct interest.

The Algerian civil war has spread to France through numerous acts of deadly terrorism and is a destabilizing factor in a country in which 5 percent of the population is Muslim, half of Algerian origin. Since France has an unemployment rate of 12 percent and a severe problem of religious and cultural assimilation, Algerian Islamist radicals have had success finding recruits among young Arabs there. Politically, this is being exploited by the nationalist far right.

The Algerian conflict runs the risk of destabilizing North Africa, a strategically important region across NATO's southern flank. Not only does Algeria's crisis affect Tunisia and Morocco, but a radical Islamic takeover in Algeria could have dire consequences in Egypt, Jordan and beyond.

Throughout the Middle East, the Algerian situation is viewed as a test case for dealing with the politics of Islamic fundamentalism. How can Paris and Washington, hopefully with the support of many others in the international community, become more active in seeking a solution?

They should use a policy of persuasion and pressure to ensure that free and fair parliamentary elections are held, with the candidates not selected by the regime, and with the process open to all who renounce terrorism.

They should insist that bilateral economic assistance (France gives $1.2 billion annually) and international aid from the European Union and the World Bank be used to address the needs of the Algerian people, such as housing, health services and labor-intensive industries to provide employment. Too often now, aid benefits mainly the ruling military class.

This will require a stream of high-level visitors to the isolated Algerian leadership, bearing the message that such reforms will be rewarded with further economic aid and political support.

If that fails, Paris and Washington should call upon the IMF, the World Bank and the European Union to impose "political conditionality" on any new loans, credits and debt rescheduling. All new aid should be tied to democratization and economic reform. Barring successful persuasion, international pressure is the only way to lift Algeria out of its tragic quagmire.

Mr. Kepel, of the Centre National de la Recherche Scientifique in Paris, is author of "A l'Ouest d'Allah" (West of Allah). Mr. Pierre, of the Carnegie Endowment for International Peace, is co-author of "The Algerian Crisis: Policy Options for the West." They contributed this comment to the International Herald Tribune.

China Looks Promising, but Russia Might Be the Better Bet

By Philip Bowring

HONG KONG — Which will do best over the next decade, Russia or China?

To many, that may seem a silly question, even in the aftermath of Boris Yeltsin's re-election, which has raised expectations that economic reform can be continued and social ills can be addressed. While Russia struggles to reverse five years of economic decline, China bounds ahead at 8 to 10 percent a year.

While health and social conditions gradually improve in China, Russia is afflicted with declining life expectancy, a very low birthrate and a degraded environment. While Russia struggles to build durable political institutions, and resolve serious minority problems, China appears to have achieved stability, albeit at high cost to liberal values.

But those comparisons could turn out to be the consequences of the past 15 years rather than a guide to the future. They also reflect the fact that even now China, where 70 percent of the population is still rural, is only at about the stage of industrialization Russia reached in the mid-1930s.

China has had 15 years of gradual reform under the Deng aegis. Russia in the same period has had Brezhnevian immobility, a failed attempt under Mikhail Gorbachev to reform the system, and five years of taking the old system apart.

But now Russia has a relatively clean slate, with industry largely privatized (however unfairly), the old bureaucracy fatally weakened and the Communist Party merely one power center in a plural world.

In China on the other hand, the heirs-to-be of Deng Xiaoping are struggling to shore up the position of the party while hoping that growth can be maintained without further loss of political control.

Russia has had deep but chaotic change. China has had broad but relatively shallow reform — and in many areas reform has already ceased as the center attempts to reassert its authority.

In China, many of the easy parts of reform and rapid growth are now in the past. First came freeing of the peasantry from the communes. In a labor-intensive agriculture with few capital requirements, family farms were quickly able to respond to price signals.

Next came the export and light industry surge. But this was driven mainly by Hong Kong and Taiwan, which had the entrepreneurial spirit and manufacturing and marketing know-how. Now, however, China faces the harder parts.

First there is reform of a state-enterprise, medium to heavy industry sector as inefficient as was its Soviet counterpart but still a key part of the political structure.

Second is the need to spend heavily on dams, power stations, roads and other infrastructure necessary if the heartland of China is to reach the level of development achieved in Russia in the 1950s. These are all long-gestation investments. Stalin abandoned Lenin's New Economic Policy of giving free rein to peasants and small business in order to concentrate resources on building infrastructure and industry. Will Mr. Deng's successors feel a need to do the same?

Russia now has a physical infrastructure that needs modernizing but at least is in place. It has factories that may be antiquated but engineers who can easily apply new technology. It is an urbanized country.

The breakdown of urban industrial systems due to war or institutional chaos is very painful, but such systems are capable of fairly quick restoration and modernization, as Germany showed after the war and as Poland is now showing.

Russia does not have a Hong Kong or Taiwan to help, but it does have an emerging entrepreneurial class not as dependent on political connections as its Chinese counterpart. Its relationship with the West should improve as that of China wanes.

Much of Russia is beginning to see the benefits of decentralization at a time when China's most dynamic areas are beginning to feel the return of state planning.

China does still have some major advantages. Its demographics will remain favorable for another 20 years. Urbanization will create huge economic growth potential — as well as dangers of social instability. The proximity of Japan, South Korea and Taiwan should provide coastal China with ready access to technology, capital and markets that an almost landlocked Russia does not enjoy.

However, at the end of the day, as Russia's former East European satellites are showing, it may be a lot easier to move from the Second World to the First than from the Third to the Second. That could be the story of the next decade.

International Herald Tribune.

Try Smarter Management of Investment Inflow

By Joe Zhang

HONG KONG — China has an ambivalent attitude toward foreign investment. It needs the capital to develop its economy and offers a range of preferential policies to foreigners to lure them into the country, but it has serious concerns about the impact of their investment.

To attract foreign funds while controlling the side effects, China set up five special economic zones along the east coast. Encouraged by their success, the government designated 52 more "special zones" and 24 "open cities" for foreign investors. To lure them away from these coastal zones, innovative local governments in the hinterland then created similar zones of their own, offering greater concessions.

The proliferation of these preferential havens for foreign investors has sparked a debate on their merits. It has forced the central government to review the zones and revise the concessional policies.

For example, tariff exemptions on capital goods imported into China by foreign-funded firms will now be revoked after a two-year grace period. Foreign companies will also have to pay corporate income tax similar to that paid by local firms from 1999 onward.

China can probably afford to take a less generous approach. In 1995 alone it attracted $37 billion in direct foreign investment. Factories set up with overseas funds account for about 40 percent of the country's exports.

The massive inflow of money from abroad has caused major problems. The most obvious one is that state assets are being sold at very low prices to savvy foreigners. Beijing is concerned about loss of control over industries that it considers strategically important.

In many cases, state enterprises that are being snapped up by foreigners are badly run but have good market potential. Many jobs are shed to make them profitable, adding to an already alarming increase in unemployment.

Another problem is that Beijing has yet to master the technique of cushioning the impact of foreign funds on the domestic money supply and inflation. Under regulations imposed by the government, foreign investment causes the capital pool available to domestic businesses to shrink.

Foreign funds are converted into local currency at the rate of 8.3 yuan to the dollar. Then the local partners have to come up with their own matching investment, mostly through bank credit. Finally, the new joint venture joins the intense competition in the local loan market for any additional funds that it may need.

However, companies with substantial foreign participation often have an advantage over China's state firms because they are creditworthy and have clean balance sheets. I calculate that the $34 billion in foreign investment recorded in China in 1994 absorbed about 13 percent of the country's total outstanding bank assets, while the $37 billion invested in 1995 took up 11 percent.

This contributed to China's high inflation in the past two years, putting the authorities under pressure to further tighten bank credit available to Chinese businesses. The dilemma prompted the government to formulate a comprehensive set of foreign investment guidelines.

Foreign investment will continue to flow into China in a big way if its domestic markets are further liberalized and the rules for doing business are made more transparent. But the government will have to learn to be smarter in the way it manages the inflow of foreign capital.

The writer, formerly a manager at China's central bank in Beijing, is an economist at W.I. Carr securities in Hong Kong. He contributed this personal comment to the International Herald Tribune.

Built Upon Ideas, Not Pedigree

By E. J. Dionne Jr.

NEW YORK — Fourth of July speeches are fast forgotten, which is a shame. Rare is the patriotic orator who emphasizes the bloodlines, backgrounds or ethnicity of America's founders. They are celebrated for sharing not blood but ideas — ideas about human freedom, self-government, individual initiative and mutual assistance.

The lesson is that "Americanism" is not measured by how long someone or his or her family has been in America. The most American are not necessarily the old-timers. Often, the newest Americans take the founding ideas more seriously than others do. After all, they chose to come.

That is why two of the standard arguments about immigrants are mistaken.

The first sees high rates of immigration as a threat to the "American idea" and culture." All these new immigrants from such diverse places as China and Korea, India and Pakistan, Mexico and El Salvador, Nigeria and Ghana, are seen as somehow less "assimilable" to the American idea than those of us whose forebears came from England, Ireland, Germany or, in my case, Quebec.

Stop immigration, these people say, before America stops being America.

The other position mirrors the first. It is a multicultural argument asserting that by the year 2000 a majority of Americans will be nonwhite. This view celebrates that fact as the downfall of "European-American" hegemony. We European-Americans had better get used to it.

What is wrong with both of these claims is what was wrong with similar predictions made in the past. When Catholics started immigrating in large numbers, some Protestant Americans (fortunately, not most) argued that they (I should say we) held "popish" views totally alien to the American tradition. We would foist papal despotism on the country and ruin it.

Those who made that argument would thus be shocked at what is obvious on the streets of Queens, the vast middle-class and polyglot borough of New York City where I spent my Fourth. If you want to find American flags at virtually every house and streetlight, you don't have to go to the old-family suburbs. Visit the Irish, Italian or Polish neighborhoods here. Don't get into a fight with these folks about who is truly patriotic.

Similar fears were expressed later when Jews and "dark-skinned" southern Europeans came to our shores. Surely, said the fearful, those immigrants couldn't become "true Americans." But they did. So there is a heavy burden on those who claim that, somehow, the latest immigrants are all that different.

The multiculturalist argument is flawed because it assumes that all "people of color" are broadly the same, which itself ignores the true meaning of "diversity." It is also wrong because it claims that the American idea is so deeply white and Protestant that the new immigrants will reject it.

Says who? The American idea itself has already been affected profoundly by African-Americans whose struggle for freedom gave meaning to the founders' radical assertion that "all men are created equal" and to the biblical injunction to "let justice roll down like the waters." The universality of our founding documents and ideas is precisely what allowed us to become a genuinely and uniquely pluralist society.

True, we don't always live up to our claims, and we argue a lot about what they mean in practice. But America would stop being America if we stopped arguing and thinking about the tensions between universalism and pluralism. The very fact of that argument (it doesn't happen everywhere) is why so many kinds of people feel comfortable here.

None of this means that it is automatically "racist" for someone to assert that, at a given moment, we should reduce the numbers of immigrants. Since we cannot afford to let everybody in, we will necessarily argue about whom we will let in and how we enforce our immigration laws. Nor is it wrong to consider the impact of immigration on wage rates or the costs to local government in areas where immigration is high.

But these are practical questions, not arguments that attribute some peculiar strangeness to outsiders. For my part, I am grateful that we are a nation of immigrants and hope we stay that way.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Mecca Mutiny

VIENNA — A despatch from Constantinople announces that serious disturbances have taken place at Mecca. The soldiers of the garrison of the holy city, who have not received any pay for six months, threw their arms into the street and have taken sanctuary in the mosques. Yzett Bey, the Sultan's favorite chamberlain, remained several hours at the telegraph communicating with the Cherib of Mecca and the Valis of Hedjuz and Aleppo.

1921: Suburb Eyesores

PARIS — The cement blockhouses being erected in the outskirts of Paris are not only a peril to inhabitants, but an eyesore compared to the architectural beauty of the French capital, according to Mr. C.F. Cobbledick, a San Francisco interior designer, who is studying European architecture. Mr. Cobbledick advises Parisians not to make the same mistake that American cities have made to get a roof over their heads. "All houses cannot be châteaux," he said. "It is up to the architects of the present generation to plan small as well as large homes, and homes that are attractive both within and without."

1946: Pengo's Flight

VIENNA — The maddest inflation in history completed its course in Hungary last weekend when Hungarians simply refused to accept the currency and turned to barter, black market or solid foreign cash. The dizzy flight of the pengo ceased at one thousand billion trillion to one American dollar. For months, the Hungarian government has added zeros to pengo notes with no backing and printed fresh vanloads to meet the uncontrolled rises. There is little hope for the new florin, to be issued Aug. 1.

OPINION/LETTERS

Karadzic and Co. Have to Be Tried

By Anthony Lewis

BOSTON — Secretary of Defense William Perry is ordinarily an unflappable man, radiating inner confidence. But the other day, while on a visit to Bosnia, he blew up at a reporter who asked him why NATO forces did not arrest Radovan Karadzic, the accused war criminal who leads the Bosnian Serbs.

On that subject Mr. Perry is evidently uneasy. He knows that Mr. Karadzic and his fellow indictee, Ratko Mladic, are making the United States and its allies look like weakling fools. He knows that the failure to bring them before the International War Crimes Tribunal threatens to turn the whole Dayton peace process into a bitter farce.

Failure to bring them before the tribunal threatens to turn the whole Dayton peace process into a bitter farce.

Through the years of their genocidal war, the Bosnian Serb leaders repeatedly made and broke promises to the UN Protection Force. The grisly climax came when General Mladic seized the supposed safe area of Srebrenica and butchered thousands while the UN force did nothing.

Exactly the same tactic of false promises has been used again in recent months. Incredibly, the top civilian administrator of the Dayton peace process, Carl Bildt, has fallen for assurances that would not fool a child.

The Dayton accords forbid anyone under indictment for war crimes to hold office. Two months ago Mr. Bildt announced proudly that Mr. Karadzic had promised to step down as president of the Bosnian Serb Republic. He did not. Mr. Bildt threatened to reimpose sanctions on Serbia, which he has power to do under the Dayton terms. Then he said sanctions were not a good idea.

Last week Mr. Karadzic said he was turning his "powers" over to the deputy he chose, Biljana Plavsic, another fanatical nationalist. That was hardly even a nod to appearances. And the Serbian Democratic Party re-elected Mr. Karadzic as its leader.

The resulting prospect is this: In September, when Bosnia is to hold an election that, under Dayton, is supposed to start reknitting the country, the main Serbian party will be controlled by an accused mass murderer, and its candidates will be his pawns.

Under those conditions, an election would legitimize Bosnia's division and the ethnic cleansing that brought it about. Dayton's promise of a restored Bosnia would be written off.

Carl Bildt was a dubious choice for civilian administrator all along. But in the end the responsibility is not his. The political leaders who produced the Dayton agreement will determine whether it survives or becomes another broken promise. Above all, that means President Bill Clinton.

The Clinton administration is taking some useful new steps. At the Group of Seven meeting, Mr. Clinton announced the creation of an international commission on the missing in the former Yugoslavia. It will be headed by former Secretary of State Cyrus Vance, who was once again willing to undertake a daunting assignment.

But there again the Karadzic-Mladic issue is critical. How can a commission hope to account for the missing in Bosnia while the authors of the violence are still in charge of the Serbian sector?

After Mr. Perry left Bosnia on this latest visit, he said the plan was to try "diplomatic means" to get Mr. Karadzic to the War Crimes Tribunal in The Hague. That would be a fine idea if it worked, but history should make anyone skeptical.

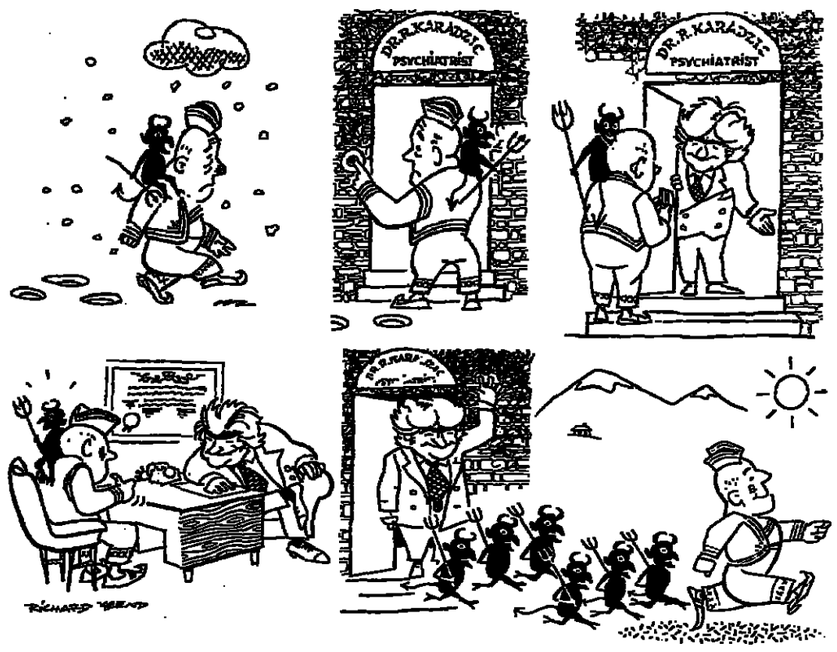
The only thing that ever moved the Bosnian Serbs to more than empty promises during the war was force.

Indeed, the Dayton negotiations took place only because NATO carried out serious bombing of Serbian military targets last summer. My belief is that Mr. Karadzic and General Mladic will surrender only if NATO, under American leadership, uses force or credibly threatens to do so.

The fate of Radovan Karadzic and Ratko Mladic has a significance much larger than Bosnia or the Dayton accords. Last week the War Crimes Tribunal heard ghastly evidence of their crimes. The commitments that the world made against genocide after the Nazi experience are at stake in the effort to hold these men accountable for their evil.

But there is also an immediate political stake for Mr. Clinton. Dayton has been touted as one of his prime foreign policy achievements. He will pay a price if Mr. Karadzic and General Mladic get away with undoing Dayton — and mocking American leadership.

The New York Times.



Sex, Drugs, Rock 'n' Roll? So Long to Boomerland

By Maureen Dowd

WASHINGTON — One day in the blessedly not-too-distant future, the single greatest event in modern history will occur. The baby boom generation will go boom. Finally, we will die off, and there will be a great cosmic sigh of relief.

The pig-in-the-python generation that has noisily demanded to be the center of attention since

MEANWHILE

conception will work its way through the valley of the shadow of the python.

But not, unfortunately, before we put the nation through a scream of pain as we metamorphose into whiny geriatrics. As if we would go gently, without another one of our social and cultural revolutions. We have always been the richest, most self-satisfied, freest generation in the history of the world and all we could do was complain — even before a single arch had fallen.

Once, our self-obsession had a certain vitality and could be mistaken for useful energy. But from revolution to consumption, from hippie to Nike, boomers have grown tiresome.

The group that acted as though it had discovered everything it experienced — youth, love, sex, parenthood — has now discovered heartburn. And no hearts burned until our hearts burned.

The inner child is transmogrifying into the inner retired person. Modern Maturity is taking the place of Rolling Stone. Sex, drugs, rock 'n' roll? Dropping acid has become dropping antacid.

"The drugs are Zantac and Tagamet, we're talking no sex, and the rock 'n' roll is oldies," says Bob Greene, the Chicago Tribune columnist who's writing a book on the foibles, feelings and fears of turning 50. "Now you perk up at the dinner table if someone finds out the name of a good podiatrist or dermatologist."

Ronald McDonald is playing golf, and magazines and TV are saturated with ads for vitamin supplements, pills and ointments designed to allow this relentlessly marketed cohort to think it can beat back the aging process. (One ad hawks a stainless steel tongue scraper to eliminate embarrassing mouth odors.)

Not even rock 'n' roll was sacred. The greatest moments in the history of the art form turned out to be jingles in search of products. Ringo Starr hawks for Pizza Hut. Janis Joplin's satire about Mercedes-Benz is now a car commercial. The Stones sing for software.

As Bob Garfield of Advertising Age magazine told the Los Angeles Times: "I can actually envision Jimi Hendrix being invoked to sell Arthritis Pain Formula."

As the 76 million boomers start hitting 50 this year at the rate of one every seven and a half seconds, there's a cascade of products promising that you can keep your hair and sexual potency and banish your wrinkles and gut, that you can enjoy chicken Marsala without gas and beat your teenage son in basketball.

Marketers gently refer to "midyouth," but the middle-aged obsessions are obvious: plastic surgery, menopause, prostate, abdominals, fiber, gingivitis.

An ad for the SunAmerica investment company ominously warns: "You think you have all the time in the world and then one day you wake up and you're older. You're getting closer to retirement every day."

Mr. Greene says: "You start looking at the television set and realize that you're paying attention to the commercial about denture adhesive. They're releasing new pain relievers with the same regularity that they used to release British invasion records.

"What I'm sensing is that we're learning to accept some stuff about aging with a shared, sardonic smile," he says, rather sanguinely, given how determined boomers have been to control their environment and turn back the clock.

"Once we had the James Bond theory that fun was a big, juicy steak and cigars and vodka and a beautiful woman and lying in the sun. But now, the fact is, the fruit plate looks good. Instead of being depressed about it, we should say chin up, or chins up."

Do you believe it? Boomers are going to die. Death, be not proud.

The New York Times.

LETTERS TO THE EDITOR

Tibetans Aren't the IRA

Regarding "Western Criticism of Asians Needs Rethinking" (Opinion, July 6) by Gregory Clark:

Is it really necessary to spell out to Mr. Clark, a former Australian diplomat, the distinction between the Irish Republican Army and Tibetan separatists?

The IRA functions in a democratic society and has chosen violence. Tibetan separatists do not have a democratic option. Yet they have never resorted to violence remotely comparable with that of the IRA. Mr. Clark does neither himself nor the Chinese any favors by advancing such arguments.

GIDEON RACHMAN.
Beijing.

Pope's Visit to Berlin

Regarding "'Excess of Hatefulness' Greets Pope in Berlin" (June 24):

I was part of the group that welcomed the Pope at Tegel airport and participated in the Brandenburg Gate farewell. There was no "excess of hatefulness." The main point was the atmosphere of friendship: Poles and Germans singing, praying and talking together.

HANNA-RENATE LAURIEN.
Berlin.

Where There's Smoke

What struck me most about the *Philip Morris* advertisements was the unanimously intolerant response of your readers, judging by the letters you published. It seemed to exemplify all too well the tendency to go to extremes and embark on crusades, be they against sugar or secondhand smoke.

I would like to put in a word for moderation, tolerance and the need to live together. After all, it may turn out that smokers are people too. Let's all calm down.

JEAN BOUTEMY.
Paris.

BOOKS

OLD SOLDIERS NEVER DIE: The Life of Douglas MacArthur

By Geoffrey Perret. 688 pages. $35. Random House.

Reviewed by Michael Schaller

PRESIDENT Harry Truman and Secretary of War Henry Stimson — two men who had their fill of Douglas MacArthur — occasionally remarked that America's great generals came in two varieties: the Washingtons, Lees and Marshalls; and the McClellans, Pattons and MacArthurs.

In this spirited account of the life of MacArthur, Geoffrey Perret, the author of several well-received military histories of World War II, revisits the personality clashes, far-flung battlefields and intrigues that lent such drama to this general's life.

As in his earlier books, Perret displays a gift for the telling anecdote and the vivid image. His biography is rich in atmosphere, drama and dialogue. He is especially successful in drawing sharp portraits of the people around MacArthur who admired or despised him.

In terms of detail and analysis, Perret is most successful in explaining the general's career up to World War II. He highlights those traits that brought MacArthur early success in the army, explores the professional feuds that followed him beyond the grave, and presents a full and sensitive description of a conflicted personal life that stabilized only with MacArthur's happy second marriage in 1937.

Perret piques a reader's interest in scandal without ever debunmanizing his subject. There are few revelations in this treatment, but the author's fairness and balance are admirable.

Surprisingly, in light of Perret's expertise on World War II, the battles of the Pacific never quite come to life. The author hits most of the "high spots" of that brutal conflict and thoughtfully assesses MacArthur's alternating flashes of brilliance and troughs of pettiness. Yet Perret shies away from assessing whether giving more or fewer resources to MacArthur would have changed the pace and direction of the war against Japan. He describes the dramatic and exceptionally bloody return to the Philippines, but says little about MacArthur's dubious involvement in post-liberation Philippine politics, which, arguably, set the Commonwealth on a troubled path to independence.

With Japan's surrender, the book begins to run out of gas. Perret's discussion of occupied Japan, the intense conflict over reform, the emergence of the Cold War in Asia, MacArthur's 1948 presidential bid, the Korean War and the Truman-MacArthur conflict are covered in fewer than 100 pages in a book that is nearly 600 pages of text. Moreover, the period from 1945-51 forms the least original and most error-prone portion of Perret's account.

For example, Perret asserts that most Japanese responded to MacArthur's forced departure from Tokyo in 1951 as if it were "a death in the family." In fact, most Japanese reacted stoically to the recall.

When MacArthur departed, Kiichi Miyazawa, then a rising star in ruling conservative circles and later one of the Liberal Democratic prime ministers, wrote an American friend that MacArthur had landed in the Philippines in 1944, in Japan in 1945, and would "land in Washington in 1951. See how you like it!," he quipped. Whatever one thinks of the general's final years in power, these were among the most significant and controversial of his life and deserve more serious analysis.

Readers seeking a deeper insight into this most flamboyant of American generals should consult D. Clayton James's authoritative "Years of MacArthur" or Carole Petillo's psychologically adept "Douglas MacArthur: The Philippine Years."

Ultimately, the best synopsis of Douglas MacArthur was penned in 1943 by Lieutenant Colonel Gerald Wilkinson, a British liaison officer in Australia. In a message destined for Prime Minister Winston Churchill, Wilkinson wrote:

"He is shrewd, selfish, proud, remote, highly strung and vastly vain. He has imagination, self-confidence, physical courage and charm, but no humor about himself, no regard for truth, and is unaware of these defects. He mistakes his emotions and ambitions for principles. With moral depth he would be a great man; as it is he is a near miss which may be worse than a mile. . . . His main ambition would be to end the war as Pan-American hero in the form of generalissimo of all Pacific theaters . . . . He hates Roosevelt and dislikes Winston's control of Roosevelt's strategy. He is not basically anti-British, just pro-MacArthur."

Michael Schaller, professor of history at the University of Arizona, wrote this for The Washington Post.

CHESS

By Robert Byrne

ONE way to win is to make a show of weakness, and when your opponents are lulled into taking it for granted, jump them and exploit their gullibility. That was what Anatoli Karpov did in Game 6 of his match against Gata Kamsky in Elista, Russia.

Karpov opened the game with a divergence from his defense in Games 2 and 4. Yet his basic style of play remained conservative and positional, at least until he put his king in the center of the board at Move 11.

Although Karpov won on the black side of a Caro-Kann Defense in Game 4, he shifted to the equally reliable symmetrical Petrov Defense for this game, probably fearing some revenge improvement by Kamsky.

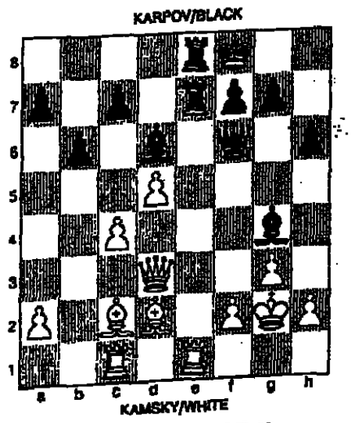
Karpov's 8...Qb4 has been used as a blunt attacking move, but he is using it as a pre-emptive strike to interfere with any attacks that his opponents may have in mind in the future.

On 11 Re1, a Magem Badals-Illescas game in Pamplona, Spain, went 11...Kf8 12 Be2 Qf5 13 c4 dc 14 Bc4 h5 15 h4 Re8 16 Re8 Be8 17 Be3 b5 18 Qd3 Qd3 19 Bd3, with a slight advantage for White. Karpov must have thought 19...Kd8 a more comfortable spot for his king.

With 14 c4, Kamsky had the initiative. But he could not do anything with it and when Karpov united his rooks with 25...Rae8, the advantage was his.

After 26...Bg4, Kamsky overlooked the threats that Karpov had created. He could not defend by 27 Qh7 g5 28 Bd1? because 28...Bf5 wins the queen. Moreover, in this hypothetical line, 28 h3 Re3! 29 Re3 Re3 30 hg Rc3 31 Rf1 Rc4 32 Rh1 Rg4 33 Rh6 Qe5 puts Black a pawn ahead with positional superiority.

KARPOV/BLACK



KAMSKY/WHITE

Position after 27 Bd2

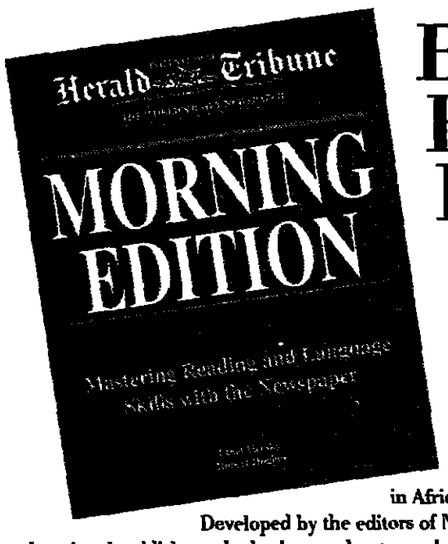
PETROV DEFENSE

White Kamsky	Black Karpov	White Kamsky	Black Karpov
1 e4	e5	16 Be3	Bc6
2 Nf3	Nf6	17 d5	Bd7
3 d4	Ne4	18 Bf1	h6
4 Bd3	d5	19 c4	Re7
5 Ne5	Nd7	20 Bd3	Qf6
6 Nd7	Bd7	21 Kg2	Ke8
7 0-0	Bd6	22 Bc2	Qc3
8 Nc3	Qh4	23 Bb3	Kf8
9 g3	Nc3	24 Rc1	Qf6
10 bc3	Qg4	25 Bc2	Rae8
11 Re1	Kd8	26 Qd3	Bg4
12 Be2	Qf5	27 Bd2	Re2
13 Rb1	b6	28 Re2	Re2
14 c4	dc	29 Rf1	Rd2
15 Bc4	Re8	30 Resigns	

The only way of obtaining chances to survive would have been 27 Bd1 Bf5 28 Qb3.

But Kamsky blundered with 27 Bd2? and was hit by 27...Re2! 28 Re2 Re2! Defense by 29 Be1 loses to 29...Bc5 30 h4 Rf2! 31 Bf2 Qf2 32 Kh1 Bf3.

After 29 Rf1 Rd2?, Kamsky gave up in the face of 30 Qd2 Qf3 31 Kg1 Bh3 32 Be4 Qe4 33 f3 Qc4.



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For Dior, A Giant Sword of Damocles

Last Hurrah For Ferré

By Suzy Menkes
International Herald Tribune

PARIS — Such a commotion filled the marbled hall that the statues seemed ready to tumble from their niches.

Gianfranco Ferré was presenting his final collection for Dior in the fall couture season. Bernadette Chirac, the French president's wife, in a houndstooth Dior suit, was saying: "I'm sad he's going."

Dior's chairman, Bernard Arnault, questioned about a successor, would say only: "We're thinking very hard about it."

From the gilded Mogul flowers embroidered on a grand gown to the strict tailored pantsuits, Ferré gave to Dior the best of himself for his final couture curtain. His clients have always appreciated his architectural design rigor that makes a dress fall like a plumb line at the front, while the back builds into a cape or into flying buttresses of chiffon.

The show opened with sleek suits, tipped with silver fox and given a sharp edge with upswept hair, high heels and silvered sunglasses. Coats were three-quarter-length, with skirt hems stopping at the knee. Pants were straight and narrow.

India is Ferré's fantasy. That came not only in the attar-of-rose pink gown and the paisley patterned chiffon wound into a copper dress, but also in the heat-and-dust beiges and browns that offset the bursts of brightness.

Ferré likes a game of opposites: the strict suit vs. the grandiose gown looped into panniers. The look seemed familiar, but in seven years he has made it his signature at Dior and a warm ovation greeted the end of his reign.

Perhaps the best clue to his replacement came in an interview Arnault gave to the newspaper Le Figaro last week. "I want modern creativity in the spirit of Christian Dior himself," he said.

Wanda Ferragamo, sitting with her family front row at Ungaro, purred over the family's acquisiton of the house. "It's the first time I have seen an Ungaro show and I loved the beautiful fabrics and the slender coats," she said.

The beauty of the Ungaro show was that he brought it to floor level so that his exquisite decoration and workmanship could be seen close up: the sheen on each tiny pearl encrusting the lace wedding dress; the shimmer of jet embroidery; the deep-pile richness of the densely-patterned knitted coats.

Those long-line coats, soft as sweaters, that opened the show were part of what Ungaro called his "liquid" effects, meaning that a sinuous geometry followed the body. Pants gave the show a casual sensuality as shaded chiffon trousers peeped from under a lace tunic, hug-me-tight gilded pants went with soft jackets or tailored Prince of Wales check pants had a lace trim.

Wash-and-go hairstyles, some with tiny tiaras, and pretty makeup reinforced the luxurious simplicity.

Short, paneled suits and coat dresses in migraine-inducing bright colors seemed less sure — as though there had been a "help-where-are-the-skirts?" crisis in the studio. At night, the rich but light lace and feather effects were well executed. And Ungaro's couture footwear was in step with Ferragamo. The lace-patterned boots were masterworks.

Luxury is back in the couture shows after an unconvincing attempt to go with the minimalist flow of fashion. Fur trims are showing up, along with gleaming fabrics and sparkling embroidery. High fashion craftsmanship is extraordinary and unique to France, but it is in need of aerobic imaginations to stretch it into the modern world.

Feathered tunics molded like Joan of Arc breastplates, furrows of pleats raked across the bodice and spangled embroideries on Strictly Ballroom dresses were all a credit to Jean-Louis Scherrer's ateliers and suppliers. But as designer Bernard Perris must know, they are an academic exercise. Fitted jackets and narrow pants in lacquered fabrics might fulfill a wardrobe need in the real world.

At Nina Ricci, pretty evening dresses twirl on and there were examples of couture excellence in cut, drape and bias-cut dresses worked asymmetrically into shiny and matt fabrics.

THE succession question is now hanging like a sword of Damocles over many couture houses and Paris is buzzing with rumors about who will take over as designer at Dior.

Why is it so difficult to come up with a short list? The problem has come from downsizing at couture ateliers. Ungaro was trained by Cristobal Balenciaga; Saint Laurent at Dior. Now, apart from Chanel's Gilles Dufour, there are no right-hand assistants.

The remaining sorcerers' apprentices are Christian Lacroix and Karl Lagerfeld, who both passed through Jean Patou. Of the French ready-to-wear generation, Claude Montana has already been bloodied by couture at Lanvin; Thierry Mugler has played with couture and dropped it; only Jean-Paul Gaultier, an early protégé of Pierre Cardin, is still a credible candidate.

And where is Cardin in this haute couture week? He is putting on an Olympic extravaganza at Atlanta. If all Dior wants is marketable hype, some hip American designer would do. For wacky imagination, there are English designers ready and waiting.

But a refined sense of luxury, an intimate knowledge of fabric drape and cut and the skill to give that a modern spin? Haute couture has to hunt down the last of the Mohicans.

Moore/Thomas

Ungaro's slender embroidered coat over lace pants; Ferré's chevron fox-trimmed coat and dress for Dior.

For Men, The Look Is Modern And Sexy

Lean Lines Add Brilliant Colors

International Herald Tribune

PARIS — Dangling from a wire in the theater rafters, two secret agents are setting out on fashion's Mission Impossible: to make a menswear show thrilling.

Down they swing, raked by lights, dodging bullets. A crashing crescendo as they hit ground, peel off their protective overalls and reveal — suits.

Suits? Supercool suits from Ozwald Boateng, in shimmering mohair, cut as close to the torso as a bullet-proof vest and with brilliantly colored linings. And suits, because classic is cool for the modern man.

In search of fashion excitement, the Paris menswear shows for summer 1997 soared to the high-rise roof of the Arche de la Défense and plunged into the bowels of a jazz club. But the designers who created a buzz showed nothing weird or wacky — just simple pieces given a tweak of modernity.

That meant short-sleeved shirts in supple fabrics sharply striped and squared like computer graphics; taut, tight sweaters with a V-neck high at the throat; jackets narrow at the shoulders and mean on the body; suits shaved close to the torso with pants sprayed flat across the stomach. Sex has a lot to do with it.

The new look is, of course, a generational thing. But there are designers who make it user-friendly, like Dries Van Noten, with his well-proportioned separate pieces and a nonchalant mix of colors and textures. Jade and aqua, purple and pink, yellow and green for shirts or sweaters were part of a Moroccan theme that extended to Berber tents pitched beside the Seine, washed out in unseasonable summer rain.

Color and graphic patterns are coming on hot and strong in menswear — as proved at Comme des Garçons, where a once-monochrome collection was vivid with madras-check jackets and paisley or country-scene patterns on pants. Comme des Garçons also played with transparency, with mesh tops layered over checked shirts.

For Dirk Bikkembergs, make that mesh or chain-mail Lurex over bare skin. His high-testosterone collection, with its belted jackets and lean leather suits, marched to the military beat that is pulsating through menswear.

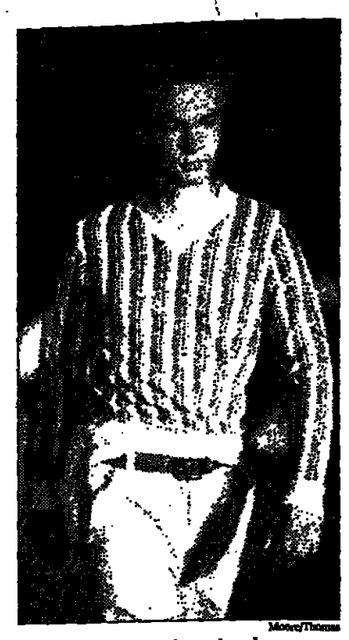
Anyone for a brothel party? The irrepressible Jean Paul Gaultier found a novel way of presenting his precise tailoring. Among the gilt and red plush of an old Paris theater, male and female models and a key-toting madam acted out a Naughty Nineties bordello. This being 1996, the tuxedo-clad women naturally got to pick the dandified guys.

Some shows were just straight up. Paul Smith sent his models strolling round an industrial empty space in checked overshirts, glazed pants, skinny poor-boy knits or burly cabled V-necked sweaters — often in a funky mix of colors, but nothing that could not walk straight out into the street.

Military pockets set aslant for a drunken soldier look seemed gimmicky on jackets at Rykiel Homme, but designer Thomas Maier's linear cut and graphic patterns were used to good effect on striped shirts and signature sweaters. In a good fit with the saxophone music, jazzy prints appeared in Issey Miyake's collection, from op art sweaters to vivid stripes, tropical prints to iridescent pin stripes that are suddenly hip.

Menswear has broken down so many barriers of color, fabric and shape over the last decade that Yohji Yamamoto's defiantly anti-establishment show — all baggy clown pants, lace tunics and pants and patterned overalls — seemed out of synch. It needed more of Yohji's subtle, modern tailoring.

The real question about modern menswear is whether your body is up to body-revealing clothes. Thierry Mugler to the rescue! His tailoring whittles the waist above narrow pants. This season he added military-uniform looks, Eisenhower jackets and caviar-grain fabric.



Moore/Thomas

Dries Van Noten's striped sweater.

Moore/Thomas

Gaultier's mesh and stripes.

Moore/Thomas

Paul Smith's cabled V-neck knit.

Hermès hits perfect pitch between cool and classic. Jackets soft as shirts or zippered shapes were made in hand-woven checks or in fine suede. Designer Veronique Nichanian also incorporated the high-neck V-sweater in cotton/Lycra and body-hugging striped knits.

IT was destination Marrakesh at Balmain as exotic djellabas floated over sober suits, fez hats camped up classics and designer Bernard Sanz made a merry mix of Moroccan colors like turquoise and orange. Lanvin opened and closed the show with classic, softly tailored suits, with sportswear jogging in between.

Dior had all the trends, from suits with check and pinstripe mixes to zippered jackets and military details. The show majored on colors bright and soft, but became a house commercial, with backdrop projections of Left Bank Paris (boutique opening coming up) and Eau Sauvage (relaunch of fragrance).

The big-screen scoop of the season came when a space-age army in all-black techno fabrics went extraterrestrial at the W.L.&T. show. Models in exuberantly colored sportswear then walked right out of the theater, onto the sidewalk and into a second auditorium. It was virtual reality used for the first time in a fashion show, and a nice fit with the futuristic clothes.

Suzy Menkes

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International Herald Tribune

BUSINESS / FINANCE

TUESDAY, JULY 9, 1996

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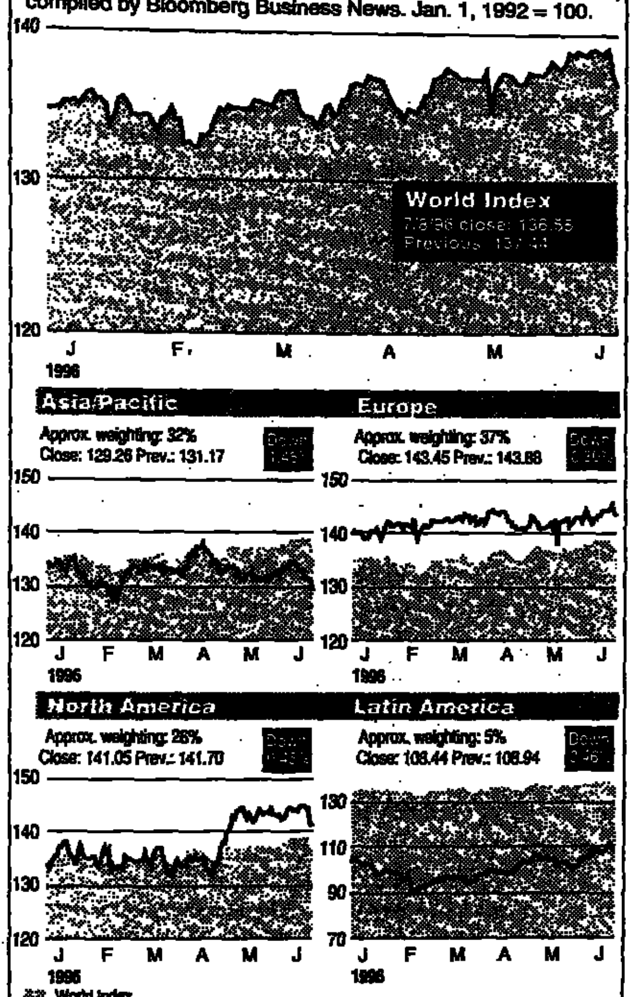

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Industrial Sectors

	Mon. close	Prev. close	% change		Mon. close	Prev. close	% change
Energy	147.37	147.92	-0.37	Capital Goods	145.67	146.33	-0.45
Utilities	127.82	128.36	-0.42	Raw Materials	159.41	160.31	-0.56
Finance	117.90	119.15	-1.05	Consumer Goods	145.95	146.57	-0.42
Services	127.44	128.51	-0.83	Miscellaneous	137.73	138.69	-0.69

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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Hard Time Is Forecast For Russia

Reformers Pledge To Stay on Course

By Peter S. Green
Special to the Herald Tribune

SALZBURG — Russian economic reformers who backed the election of President Boris N. Yeltsin pledged Monday to stay on the course of reform and adhere to key Russian agreements with the International Monetary Fund.

But analysts and investors said that may not be easy and warned that *Russia was in for a bumpy ride.*

Speaking at a gathering of senior government and business leaders from the former Soviet bloc, the reformers said they believed Mr. Yeltsin's election victory marked the definitive demise of the Communists as an influence on economic reform.

Russia's doors are now swinging open for foreign investment and that a new era of political stability is here, they said.

"Russia will never again be turned back, because the Communists will not get another chance," Yevgeni Yasin, Mr. Yeltsin's *economics minister,* told the first meeting of the *World Economic Forum's Central*

See RUBLE, Page 17

Telecom Networks Shoot the Moon at Atlanta Olympics

By Peter H. Lewis
New York Times Service

NEW YORK — The Olympic Games in Atlanta represent the most ambitious civilian telecommunications and technology experiment since the space program — and, like a mission to the moon, it is a high-risk venture.

More than 15,000 *athletes* and coaches, 2 million spectators in *Atlanta* and 3 *billion television* viewers around the world will be depending on the complex technological infrastructure of the Games.

The comparisons to the space program are not outlandish, and Bob Neal should know. Before he became director of technology for the Atlanta Committee for the Olympic Games, overseeing the planning, preparation, operation, deployment and recovery of $300 million of technology for the Games, he worked for the National Aeronautics and Space Administration.

"The *big difference* between this and a moon shot is that with a *moon shot you have windows of* launch opportunity," Mr. Neal said. "Here, we have one window, July 19, and we have to get it right the first time."

As the countdown to the Games gets shorter, what have been 14-hour workdays in the Technology *Operations Center in Atlanta are* getting still longer. Hardly anyone *there expects to get much sleep* until the Games end Aug. 4.

The operations center *is the hub* where an elite crew of technical *specialists,* most of them on loan from sponsor companies, will monitor and manage 7,000 computers, 9,000 radio phones, 6,000 pagers, 1,000 facsimile lines and 8,000 cable connections. A few

***High-tech innovations take* over the Games. Page 20.**

dozen of the 10,000 Panasonic video monitors to be used at the Games are arrayed overhead in the control room. Now dark, they *will soon light up with live images* of the world's finest athletes com*peting for the gold.*

But it is not just the athletes who

See GAMES, Page 17

EU Buckles Down To Meet Goals for A Single Currency

By Tom Buerkle
International Herald Tribune

BRUSSELS — The budget-squeezing effect of Europe's single-currency program came into full view Monday as Britain damped speculation *about tax cuts, Germany un*veiled fresh spending reductions, and *Austria and Belgium hinted at privat*izations to reduce government debt.

*The demonstrations of fiscal aus*terity took place as European Union finance ministers approved recommendations telling 12 of the 15 EU countries to tighten their belts further if they hoped to meet the criteria for monetary union next year.

Luxembourg, Ireland and Denmark were judged to be in line with the criteria set in the Maastricht treaty on European union.

Britain's chancellor of the Exchequer, Kenneth Clarke, said he agreed fully with the EU recommendations for London, which told the government to clamp down on its deficit rather than loosen up.

"You only have tax cuts if you have got your borrowing under con*trol and you are going back to a* balanced budget," he said.

Although Britain can opt out of the single currency, it has committed itself *to the same low-deficit strategy.*

The comments sent a clear signal that Mr. Clarke was unlikely to promise a sizable pre-election tax cut when he delivered his summer economic and budget forecast Tuesday.

In Bonn, *meanwhile,* government officials said the federal deficit *would be trimmed to 56.5 billion* Deutsche marks ($37 billion) in *1997 from 59.9 billion DM this year,* with much of the savings coming out *of the defense budget.*

The overall public deficit, including state budgets and welfare spending, would drop to 2.5 percent of gross domestic product, below the 3.0 percent requirement set by the Maastricht treaty.

Those plans would bring Germany in line with EU recommendations, which urged Bonn to seek "ambitious objectives" that would bring the country's debt below 60 percent of GDP.

Monday's exercise marked the third year that the EU Monetary Committee had issued recommendations to countries running excessive deficits, and *the national reactions* showed how serious the process is *becoming as the bloc approaches* 1997. Economic and budget figures *for that year will decide which coun-*

See EMU, Page 14

Press Leak About Grand Met Takeover Narrows Options at Guinness

Reuters

LONDON — An embarrassing leak of plans drawn up by Guinness PLC's main advisers has narrowed the company's options for future growth, analysts said Monday.

The leak to The Sunday Telegraph of the documents from Lazard Brothers & Co. forced Guinness to say it had no intention of making a hostile bid for Grand Metropolitan PLC or of spinning off or selling its brewing business.

The statement from Guinness is so clear that the stock exchange would not allow the company to change its mind in *the short or intermediate term, analysts said.*

The Lazard plan would have had Guinness launch a hostile *bid for Grand Met at 588 pence a share ($9.15). Guinness* would have then sold Grand Met's food and restaurant businesses and Guinness's own brewing activities for £10 billion to help fund the deal. The combined company would then have been the biggest liquor company in the world.

Grand Met has a market capitalization of about £8.85 billion and owns such brands as Pillsbury food products and Burger King restaurants. The company's IDV liquors unit produces Bailey's Irish Cream and J&B whiskey.

Guinness, which is capitalized at about £9.07 billion, has said it will concentrate on "organic growth" by returning excess cash to shareholders and increasing spending on marketing its brands. In March, the company bought back 4.9 *percent of its shares for £463 million. Through its United* Distillers subsidiary, Guinness makes such brands as Johnnie *Walker scotch and Gordon's gin.*

Guinness stock rose 2 pence to 473, while Grand Met shares rose 15, to 437.

"This leak has excluded the option of demerging brewing for the foreseeable future," said Ron Littleboy, an analyst with Nomura International PLC. He added that such a spin-off would have been the only way to significantly increase shareholder value, given the poor state of the liquor business.

The French luxury-goods conglomerate LVMH Moët Hennessy Louis Vuitton SA, Guinness's largest shareholder, with about 21 percent, would be unlikely to support a bid for Grand Met, analysts said. LVMH would not comment.

"The damage to Guinness is that they do not come across as *being focused on organic growth; in fact they are break-up* artists," said John Wakeley, an analyst at Lehman Brothers *International Ltd. "It puts them back several months in their* campaign to persuade the City that they are on a path of organic *growth," he said, referring to London's financial district.*

Thinking Ahead /Commentary

A New Scapegoat for the Unemployed

By Reginald Dale
International Herald Tribune

WASHINGTON — The unemployed of Europe and the underpaid of America at last have someone to blame for their plight — and it's not a Third World worker earning a dollar a day or the greedy boss of a multinational corporation.

According to Charles Oman, an economist at the Organization for Economic Cooperation and Development in Paris, many of the West's current labor problems can be traced to Frederick W. Taylor, the American engineer who invented "scientific" management early in the 20th century.

Mr. Taylor's pioneering ideas greatly increased labor productivity and paved the way for huge economies of scale through mass production.

Over time, however, Mr. Taylor's techniques have caused increasing rigidity in production and management, slowed productivity growth and stifled innovation, Mr. Oman writes in a paper published by the OECD Development Center.

Mr. Taylor's approach is heavily responsible for high unemployment in Europe and stagnating wages in the United States, Mr. Oman says.

He defines the three main features of "Taylorism" as follows:

- The separation of thinking and doing in the organization of work.
- Highly specialized job definitions.
- The belief that there is "one best way" of doing things.

After World War II, Taylorism spread from the United States to Europe and came to dominate management and even government thinking in much of the world.

But today, Mr. Oman says, Taylorism is in crisis. Although still widely in use in Europe and the United States, the Taylorist system is threatened by new and flexible forms of organization, pioneered in Japan by Toyota Motor *Corp. since the late 1950s.*

In fact, Mr. Oman says, the development and spread of flexible forms of economic organization are the crucial factors *distinguishing the latest* wave of globalization from earlier periods.

The three main principles of flexible organization, or lean management, are the opposite of Taylorism. They are:

- Integration of thinking and doing.
- Broad job definitions and teamwork.
- Continuous innovation in products and the way they are made.

The flexible approach has certainly made many companies much more competitive. It helps them to exploit new automation technologies and to shed unnecessary layers of management, and it combines higher productivity with greater responsiveness to market demands.

Flexible production techniques have spread widely through such industries as autos, electronics, steel, chemicals, textiles and clothing, as well as in such services as banking, insurance and telecommunications.

Nevertheless, Mr. Oman says, Taylorism still accounts for a greater share of global production. In Japan, where flexible production is probably most widespread, it may account for about one-third of economic output.

In many ways, Mr. Oman concedes, Taylorism is still robust. It is also highly resistant to change, which means, he says, that corporations, governments and labor organizations should all work to promote flexible production.

Clearly, many companies need to become more flexible, but *Mr. Oman* overstates his case. The world is not engaged *in a Manichaean struggle* between Taylorism and flexibility.

In practice, *the distinction is often* blurred. "Taylorist" corporations can gain efficiency by downsizing, and flexibly run corporations are not invariably more competitive. Many combine elements of both.

By lumping Europe and America together, Mr. Oman ignores the highly successful adjustments the United States has made to the global economy and the big increases in competitiveness it has achieved, not least against Japan.

In one big way, he is right: Rather than making a scapegoat of "globalization" and resisting it, industrial countries should be learning how to adapt to it. Europe, for instance, needs a more open labor market and better management. Unfortunately, renouncing Mr. Taylor won't be quite enough.

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Brussels	31.48	48.992	20.5865	6.0965	2.0516*	18.353	—	24.991	0.2838	22.995	24.4575*
Frankfurt	1.5302	2.374	—	0.2956	0.9943*	0.8914	4.8580*	1.2109	1.3782*	1.1162	1.188*
London (a)	1.553	—	2.3734	7.8034	2,382.945	2.6628	48.854	1.9569	172.255	2.1254	199.535
Madrid	128.636	199.985	84.152	24.865	8.365*	75.814	4.0873	101.882	115.98*	93.833	—
Milan	1,526.98	2,380.30	1,004.35	296.96	—	895.98	48.751	1,214.70	13.859	1,120.30	11.945
New York (b)	—	1.5540	1.5258	5.1652	1,534.80	1.7117	31.43	1.2636	110.77	1.3703	128.41
Paris	5.173	8.039	3.3844	—	0.3364*	3.0169	0.1644	4.0975	4.6672*	3.7737	4.0205*
Tokyo	111.15	172.72	72.64	21.51	0.725	64.77	3.5297	87.94	—	81.19	0.8644
Toronto	1.3702	2.121	0.8978	0.2651	0.0894*	0.8003	0.436*	1.0846	1.2363*	—	1.067*
Zurich	1.2622	1.9686	0.8264	0.2440	0.0822*	0.7365	4.013*	—	1.1380*	0.9213	0.982*
1 ECU	1.2539	0.8069	1.9166	6.4864	1,928.07	2.1508	39.46	1.583	139.157	1.7108	161.326
1 SDR	1.4387	0.9256	2.1846	N.Q.	2,212.31	2.467	45.3419	1.8186	159.844	1.971	185.186

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Eurocurrency Deposits

July 8

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/4 - 5 3/8	3 5/16 - 3 7/16	2 1/16 - 2 1/4	5 3/4 - 5 13/16	3 3/4 - 3 13/16	7/16 - 1/2	4 3/8 - 4 1/2
3-month	5 7/16 - 5 9/16	3 5/16 - 3 7/16	2 1/16 - 2 3/16	5 13/16 - 5 15/16	3 7/8 - 4	1/2 - 9/16	4 3/8 - 4 1/2
6-month	5 11/16 - 5 13/16	3 3/8 - 3 1/2	2 3/16 - 2 5/16	5 11/16 - 5 15/16	3 15/16 - 4 1/16	11/16 - 13/16	4 7/16 - 4 9/16
1-year	6 1/8 - 6 1/4	3 1/2 - 3 5/8	2 13/16 - 3 1/16	6 1/16 - 6 3/16	4 1/8 - 4 1/4	1 - 1 1/16	4 1/2 - 4 5/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	239.96	Mex. peso	7.62	S. Afr. rand	4.3965
Australian $	1.2591	Hong Kong $	7.7413	N. Zealand $	1.4526	S. Kor. won	814.00
Austrian sch.	10.74	Hung. forint	153.67	Norw. krone	6.527	Swed. krona	6.7019
Brazil real	1.0047	Indian rupee	39.10	Phil. peso	26.20	Taiwan $	27.64
Chinese yuan	8.34	Indo. rupiah	2342.00	Polish zloty	2.72	Thai baht	25.42
Czech koruna	27.35	Irish £	0.6274	Port. escudo	157.18	Turkish lira	82320.5
Danish krone	5.8855	Israeli shek.	3.1915	Russ ruble	5031.50	UAE dirham	3.671
Egypt. pound	3.3955	Kuw. dinar	0.2999	Saudi riyal	3.75	Venez. boliv.	469.75
Fin. markka	4.6651	Malay. ring.	2.4932	Sing. $	1.414		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5533	1.5533	1.5532	Japanese yen	110.33	109.86	109.39
Canadian dollar	1.3690	1.3680	1.3670	Swiss franc	1.2583	1.2554	1.2524
Deutsche mark	1.5249	1.5220	1.5193				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5 5/16
3-month CDs	5.18	5.15
CP 180 days direct	6.11	6.11
3 month Treasury bill	5.16	5.15
1-year Treasury bill	5.64	5.62
2-year Treasury bill	6.42	6.42
5-year Treasury note	6.81	6.81
7-year Treasury note	6.91	6.90
10-year Treasury note	7.05	7.01
30-year Treasury bond	7.18	7.15
Merrill Lynch 30-day RA	4.81	4.80
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.42
1-month interbank	0.56	0.56
3-month interbank	0.69	0.66
6-month interbank	0.81	0.78
10-year Govt bond	3.31	3.27
Germany		
Lombard rate	4.50	4.50
Call money	3.38	3.38
1-month interbank	3.40	3.40
3-month interbank	3.42	3.42
6-month interbank	3.48	3.47
10-year Bond	6.48	6.47

Britain		
Bank base rate	5 3/4	5 3/4
Call money	5 7/8	5 15/16
1-month interbank	5 3/4	5 3/4
3-month interbank	5 3/4	5 3/4
6-month interbank	5 3/4	5 13/16
10-year Gilt	7.95	7.95
France		
Intervention rate	3.55	3.55
Call money	3 3/4	3 5/8
1-month interbank	3 3/4	3 13/16
3-month interbank	3 3/4	3 13/16
6-month interbank	3 13/16	3 7/8
10-year OAT	6.58	6.72

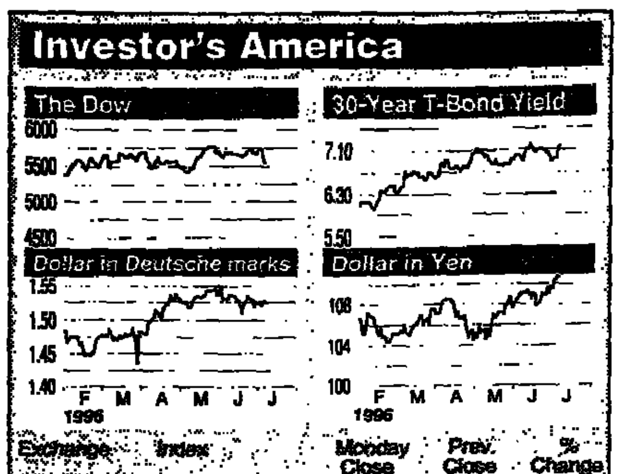
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Crédit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	382.45	381.90	+ 0.40
London	382.30	381.90	+ 0.40
New York	383.50	382.10	−0.30

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

Investor's America



Exchange	Index	Monday Close	Prev. Close	% Change
NYSE	The Dow	5550.83	5588.14	-0.67
NYSE	S&P 500	652.54	657.44	-0.75
NYSE	S&P 100	628.69	633.38	-0.74
NYSE	Composite	350.33	353.24	-0.82
U.S.	Nasdaq Composite	1150.23	1159.93	-0.84
AMEX	Market Value	568.91	574.24	-0.93
Toronto	TSE Index	5050.06	5062.79	-0.25
São Paulo	Bovespa	83293.80	82932.40	+0.57
Mexico City	Bolsa	3076.21	3105.92	-0.96
Buenos Aires	Merval	573.10	592.03	-3.20
Santiago	IPSA General	5717.52	5726.31	-0.15
Caracas	Capital General	4371.09	4397.43	-0.60

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

U.S. Looks Into BA-American Pact

WASHINGTON (AP) — The Justice Department is investigating the proposed alliance between American Airlines and British Airways to determine whether it could hurt competition in the industry, officials said Monday.

The agency's antitrust division is reviewing the airlines' proposal to coordinate various services, including flight schedules, air fares and passenger and cargo services. Both airlines have asked the department for an exemption from federal antitrust laws similar to those granted other airline alliances.

• **Fuji Photo Film Co.** is to buy Wal-Mart Stores Inc.'s six photo-finishing plants and its distribution network. The price was not disclosed. The transaction gives Fuji a long-term agreement that locks up much of the business of the largest U.S. provider of retail photo-finishing.

• **Lucent Technologies Inc.** is preparing to sell $1.5 billion of bonds in a two-part sale as early as next week, according to investment bankers familiar with the sale. *Bloomberg, NYT*

Weekend Box Office

The Associated Press

LOS ANGELES — "Independence Day" dominated the U.S. box office over the weekend, with a gross of $83.5 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. Independence Day	(20th Century-Fox)	$83.5 million
2. The Nutty Professor	(Universal)	$26.5 million
3. Phenomenon	(Touchstone)	$25 million
4. Hunchback of Notre Dame	(Walt Disney)	$14 million
5. Eraser	(Warner Bros.)	$13.4 million
6. The Rock	(Hollywood Pictures)	$8.6 million
7. Striptease	(Columbia Pictures)	$7.5 million
8. Twister	(Warner Bros.)	$4.4 million
9. Mission: Impossible	(Paramount)	$3.6 million
10. The Cable Guy	(Columbia Pictures)	$2.7 million

MTV 'Flip Side' Is Coming Soon For 'Older' Fans

By Bill Carter
New York Times Service

NEW YORK — One of cable television's defining networks, MTV, has decided to create a music channel called M2 that it says will be focused more tightly on music and aimed at a slightly older audience.

The channel, which MTV has quietly planned for several months, is scheduled to start Aug. 1, the 15th anniversary of the original channel. It is intended almost as a "flip side" of MTV, with a somewhat wider mix of music genres and groups that is less dependent on major hits. The target audience averages perhaps 23 years old instead of 21.

It will be the first cable channel with a 24-hour link to computer users.

"This is a channel like MTV was in 1981," said Tom Freston, chairman of MTV Networks. "The audience we're going for with M2 doesn't watch a lot of MTV. They find it a bit too mainstream."

Judy McGrath, president of MTV Music Television, a subsidiary of Viacom Inc., said: "If you're an MTV fan, you like all the stuff that's on MTV. You like all the junk pop cultural stuff. That's how you know who you are and what to wear and what you're like. But there's another MTV viewer who says, 'You don't need to tell me what's cool. Just put it in front of me.'"

The new channel would also be the first cable channel with a 24-hour link to computer users. Through the service, which is called Intercast, viewers will be able to see M2 on computer monitors as well as television sets. The computer version will include a regular stream of related information — from concert dates to the place a certain band might have had dinner the night before — accompanying each music video.

MTV executives say the M2 concept has been presented to a few traditional cable operators, such as Comcast and Continental Cablevision, and advertisers such as PepsiCo Inc. and MCI Communications Corp. and has been received with enthusiasm.

At the outset, M2 will have limited distribution over cable systems, reaching perhaps as few as 1 million homes. "I think the best place to see us at first will be a digital satellite dish in the middle of South Dakota," Ms. McGrath said.

But MTV executives expressed confidence that the channel would grow quickly. "Word of mouth is what sold us 15 years ago," Mr. Freston said. At that time, the catch phrase, "I want my MTV," became a rallying cry for wider distribution of the new channel.

In keeping with this reverence for the power of word of mouth, the new channel opted for the simpler name M2, rather than MTV2.

To drive home the concept of the channel, the network's promotional department came up with the idea of reversing the familiar MTV logo so that it looks exactly as it would from the back, with a small number 2 inserted in one leg of the M, and the words "music television" written under it in reverse.

Shares Transfixed by Rate Fears

Compiled by Our Staff From Dispatches

NEW YORK — Stocks followed Friday's plunge with another round of losses Monday as concern mounted that rising interest rates would curb spending by consumers and businesses.

Shares of banks and retailers paced the retreat.

A report Friday showing stronger-than-expected growth in the United States sent stocks down 114.88 points, or about 2 percent, on concern that the Federal Reserve Board would raise interest rates to keep inflation in check.

The Dow Jones industrial average fell 37.31 points Monday, to 5,550.83. Declining issues outnumbered advancing ones on the New York Stock Exchange by a 7-to-3 margin.

The price of the benchmark 30 year Treasury bond was stable, at 85 18/32, yielding 7.18 percent.

Shares of computer-related companies gained amid optimism that they would post strong earnings growth for the second quarter, analysts said. Motorola kicks off the reporting season Tuesday, when it will announce its results after the market closes. Motorola rose 1¾ to 67⅝ on reports that Cowen & Co. had raised its investment opinion on the maker of semiconductors and telecommunications equipment to "strong buy" from "neutral."

IBM rose ½ to 98⅜, Intel finished ⅞ higher at 73, and Microsoft gained 1 15/16 to 120 5/16.

"Investors are trying to put things in perspective after the excitement from

U.S. STOCKS

Friday," said Alfred Kugel, investment strategist at Stein Roe. "We're entering a calmer period now and can start to look forward to the earnings reports."

Some analysts said they thought that high bond yields would prevent a rebound in stock prices.

"Any attempt to rally will fail," said Michael Metz, chief investment strategist at Oppenheimer & Co. "This time around, it's not a buying opportunity."

Shares of securities and insurance companies and banks fell.

Those companies do best when interest rates are falling because they make more money on their investments and loans and because borrowing activity increases in a time of lower rates.

Wells Fargo fell 4½ to 230¾, Citicorp dropped 2⅜ to 77¼, and American International Group fell 2⅛ to 92⅜.

Retailers' shares fell on concern that rising interest rates would make shoppers more reluctant to take on debt.

Wal-Mart fell ⅜ to 24⅛, Sears dropped 1 to 46, Dayton Hudson Corp. slid 2 to 98⅞, and Kmart fell ¼ to 11⅜.

Many analysts now say the Fed's policy-making Open Markets Committee is likely to raise interest rates at its next meeting Aug. 20 to head off inflation — unless the Fed acts before then.

But some analysts said investors may have overreacted to Friday's employment report.

"I'm not sure one month's numbers tell the whole story," said Bruce Bittles of J.C. Bradford & Co. Even if the job data are valid, he said, second-quarter corporate earnings should match or exceed expectations. *(Bloomberg, AP, Reuters)*

EMU: *EU Feels Squeeze of Budget-Tightening as Deadline Nears*

Continued from Page 13

tries can join a single currency in 1999.

Austria, which has already approved its budget for 1997, promised to come forward with supplementary deficit cuts in the autumn as well as privatizations and other measures that will reduce its debt. That debt is now rising toward 75 percent of GDP rather than falling toward the Maastricht target.

Yves-Thibault de Silguy, the EU monetary commissioner, welcomed the move, saying it was the first time an EU country had promised specific budget measures. He also said it could set an example for other countries that were having trouble with the debt criterion, such as Belgium and the Netherlands.

Belgium's finance minister, Philippe Maystadt, wasted little time in absorbing the lesson, saying the government was likely to propose fresh privatizations in the autumn.

The EU's recommendations for France, meanwhile, applauded the government's "ambitious" reforms that sought to eliminate the social-security deficit next year but said "rigorous" restraints on spending were needed to get the deficit down to 3 percent of GDP in 1997 from 5 percent last year.

■ Mark and Yen Gain on Dollar

Despite expectations that the U.S. Federal Reserve Board will raise interest rates soon, the dollar fell slightly against the yen and Deutsche mark, Bloomberg Business News reported from New York.

The dollar fell to 110.77 yen from 110.80 yen Friday and to 1.5258 DM from 1.5273 DM. It was also at 5.1652 French francs, up from 5.1619, and at 1.2636 Swiss francs, up from 1.2605. The pound fell to $1.5548 from $1.5576.

AMEX

Monday's 4 p.m. Close

The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AIM Str	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AMC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ARC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AckCom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Action	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AdvMed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AdvPhot	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AirWat	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AHoogen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Altin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AlldRsh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alphaln	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AlpinGr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amdhl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ABodyAr n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AExpl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AIM 84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AIM 85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AScIE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ampal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ampex n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AstLiving	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Astrotc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Atari	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AudSurv	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Autotote	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Azco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BHC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Baker	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ballntyn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BT dep	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BanyHl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BarrLb s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bayou	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BenIPh s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BenIPh wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BioRA s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Biovail s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Blessings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BlondT n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BowenC n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CIM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CSTEnt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Cablvs pf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Calprop	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CdnMarvA s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CmbrxT s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CFCdag	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ChadThr s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ChmpEH	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ecChesBio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ChiySoft	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Chief	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citadel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CitzFrm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CollLb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CdsEng	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comforce	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CommA n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CommA wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CompTch	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CmpMan n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comstck	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CrystE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cross	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CrownM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CrnCP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CrnCP B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
adCrwnL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cycomm s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DI Ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DakotM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dataml	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dataram	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DavWtr n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Decorat s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DenAmer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DevnE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DiagRet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Digicon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DIgRCT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DixnTic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DryMu	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ducom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EZ Serv	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Edisto	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elsag	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ElPasoE n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ElcCmt s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EmeR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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KoorEn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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TIE Cp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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TexMer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thermed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrCar s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Tofel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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TubMex	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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US Cell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Viac wtE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Vitronic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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ecWizTch	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Xytron	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5573.73	5598.85	5528.64	5550.83	-37.31
Trans	2128.11	2141.24	2105.38	2111.70	-28.11
Util	213.96	215.41	213.74	215.20	+0.49
Comp	1808.39	1817.35	1798.64	1801.22	-13.59

Standard & Poors

	High	Low	Close	Chg.
Industrials	782.87	775.26	776.93	-4.84
Transp.	508.19	500.75	501.68	-2.26
Utilities	192.52	190.50	191.99	+0.59
Finance	65.75	64.40	64.53	-1.22
SP 500	657.65	651.13	652.54	-4.90
SP 100	634.83	627.52	628.69	-4.69

NYSE

	High	Low	Last	Chg.
Composite	353.24	349.69	350.33	-2.91
Industrials	450.33	446.30	447.15	-2.93
Transp.	327.89	322.90	323.52	-3.90
Utility	249.80	245.40	246.80	-2.12
Finance	290.89	285.99	286.47	-4.42

Nasdaq

	High	Low	Last	Chg.
Composite	1160.63	1150.23	1150.23	-8.72
Industrials	1086.68	1077.07	1077.07	-9.26
Banks	1066.92	1061.91	1062.49	-6.84
Insurance	1294.83	1286.61	1286.61	-8.58
Finance	1286.37	1280.59	1280.59	-10.51
Transp.	870.24	863.86	863.86	-7.24

AMEX

High	Low	Last	Chg.
574.33	568.27	568.91	-5.42

Dow Jones Bond

	Close	Chg.
20 Bonds	101.05	-0.48
10 Utilities	97.85	-0.34
10 Industrials	104.24	-0.62

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
LoralSp n	86902	73⅞	72	72¼	-1
Motorola	65434	68⅝	66	67⅝	+1¾
CbasM	37831	48⅝	46¼	47¼	-1⅜
TelBrasil n	36874	75¾	73	75¼	+⅝
McDnlds	33673	45¼	44½	44⅝	-1
HmeDep	31810	52⅝	51	52	-2⅜
Chrysler	30846	[illegible]	[illegible]	[illegible]	[illegible]
CompCp	29214	29⅛	27⅝	27⅝	-1⅞
FordM	28089	31⅞	30⅜	30⅝	-⅞
CocaCl s	26954	47⅝	47⅛	47⅛	-⅜
FedNM	26474	30⅝	30⅜	30⅜	-⅜
ConAgr	26195	45⅝	44⅝	44⅝	-1⅛
WalMart	26064	24⅝	23⅞	24⅛	-⅜
Citicorp	25943	79⅝	77	77¼	-2⅜
Monsan s	25399	32⅛	30⅝	30⅞	-1⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	81338	74½	72	73	+⅞
SunMics	59170	56⅞	54⅝	54⅝	-1
Cisco s	57020	57⅞	56	56⅝	+⅜
Oracle s	54627	38⅛	36⅞	37¼	+⅜
TelCmA s	44238	17⅛	16⅞	16¾	-⅛
Iomega s	43011	28⅝	27⅛	28	+¾
AmerOn s	42818	41⅝	37⅛	38	-3⅛
Microsoft	40088	120⅞	118⅛	120¹⁵⁄₁₆	+1¹⁵⁄₁₆
VolHlds	36916	⅝	½	½	-⅛
Gandlf g	34227	6	5⅝	5⅞	-⅛
3Com s	32140	44⅝	43	43	-1⅞
Atmel s	30562	28⅝	27⅞	28	+⅛
Amgen s	30488	53	51½	51½	-1⅛
Ascend s	28614	57⅝	54½	55⅞	+⅜
EricTel	28319	21⅝	21⅛	21⅜	-⅜

AMEX

	Vol.	High	Low	Last	Chg.
ViacB	12542	37⅞	36¾	37¼	-⅞
SPDR	8551	65¹⁹⁄₃₂	65⅛	65¼	-⅝
Harken	7702	2⅜	2¼	2⅜	-⅛
IvaxCp	7563	16⅛	15½	15⅝	-⅜
TWA n	6286	14⅝	13⅞	14⅛	-⅛
Ampex n	5976	8⅝	7⅝	7⅝	-⅝
Viacom	4717	37	36⅛	36⅝	-⅝
EchoBay	3895	11	10⅜	10⅜	-⅝
FAusPr	3538	8⅝	8⅛	8⅜	-⅛
EnzoBi	3573	20⅝	19	19¼	-1½

Trading Activity

NYSE

	Close	Prev.
Advanced	762	815
Declined	1735	2104
Unchanged	660	565
Total issues	3157	3484
New Highs	31	20
New Lows	71	45

Nasdaq

	Close	Prev.
Advanced	1377	874
Declined	2571	2585
Unchanged	1631	2121
Total issues	5579	5580
New Highs	38	99
New Lows	150	91

AMEX

	Close	Prev.
Advanced	170	143
Declined	388	334
Unchanged	198	156
Total issues	740	633
New Highs	18	7
New Lows	11	4

Market Sales

	Today Close	Prev. cons.
NYSE	366.31	218.49
Amex	17.51	13.29
Nasdaq	409.21	216.30

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Fidel Asset Mgr	-	.06	7-5	7-8
REVERSE STOCK SPLIT				
MegaCards Inc 1 for 6 reverse split				
REGULAR				
AmericanList	Q	.30	7-31	8-9
KCS Energy	Q	.03	7-12	8-20
Ntheast IN Bnco	Q	.75	7-15	7-29
Pitney Bowes	Q	.345	8-27	9-12
Putnam Am	M	.04	7-5	7-15
Putnam Am	M	.043	7-5	7-15
Putnam	M	.06	7-5	7-15
Putnam	M	.065	7-5	7-15
Templeton	M	.05	7-17	7-31
Upper Peninsula	Q	.3125	7-13	8-1
Westbank Corp	Q	.06	7-17	7-25

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cld - called.
d - new yearly low.
e - dividend declared or paid in preceding 12 months.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
P/E - price-earnings ratio.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

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INTERNATIONAL FUTURES

July 8, 1996

Contract	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	3.45½	3.35	3.37	+0.06	11,616
Sep 96	4.10	4.00	4.02	-0.00½	75,142
Dec 96	3.60½	3.48½	3.50	-0.03½	176,371
Mar 97	3.64½	3.56	3.56¾	-0.02¼	26,349
May 97	3.67	3.59	3.59¼	-0.02	5,049
Est. sales N.A. Fri's. sales 48,437					
Fri's open int 386,349 up 904					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 96	242.70	240.80	241.80	+1.10	8,792
Aug 96	247.50	238.00	240.30	+1.40	22,240
Sep 96	239.80	228.00	238.30	+1.40	10,531
Oct 96	236.20	234.00	234.50	+1.70	5,911
Dec 96	234.90	232.30	232.40	+1.40	24,285
Jan 97	234.70	232.80	233.00	+2.10	2,937
Est. sales N.A. Fri's. sales 15,627					
Fri's open int 78,139 off 2141					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jul 96	24.76	24.50	24.51	-0.04	3,830
Aug 96	24.90	24.57	24.59	-0.07	21,399
Sep 96	25.10	24.80	24.80	-0.10	12,792
Oct 96	25.29	25.09	25.02	-0.03	7,215
Dec 96	25.63	25.33	25.35	+0.03	29,524
Jan 97	25.78	25.46	25.48	+0.08	2,446
Est. sales N.A. Fri's. sales 25,487					
Fri's open int 81,122 up 1060					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	7.73	7.64	7.64¼	+0.01	5,630
Aug 96	7.70	7.60	7.62	-0.02	30,969
Sep 96	7.53½	7.44½	7.44¾	+0.03¼	11,648
Nov 96	7.41	7.31	7.31½	+0.04½	101,370
Jan 97	7.49	7.38½	7.39	+0.03¾	8,158
Est. sales N.A. Fri's. sales 42,395					
Fri's open int 171,104 off 1703					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	4.78½	4.68¾	4.74¼	+0.04¼	4,834
Sep 96	4.83¾	4.74	4.77½	+0.04	32,978
Dec 96	4.91	4.82	4.84¼	+0.01¼	28,496
Mar 97	4.92	4.82	4.82½	-0.00½	4,151
Est. sales N.A. Fri's. sales 11,784					
Fri's open int 72,644 up 930					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Aug 96	67.20	66.72	66.82	-0.48	35,679
Oct 96	69.07	68.40	69.02	+0.12	26,199
Dec 96	66.85	66.25	66.56	-0.27	12,490
Feb 97	65.10	64.60	64.82	-0.23	12,338
Apr 97	67.00	66.67	66.85	-0.15	4,141
Jun 97	65.95	65.65	65.90		7,405
Est. sales 12,119 Fri's. sales 7,487					
Fri's open int 93,692 up 315					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 96	62.40	61.97	62.12	-0.25	7,729
Sep 96	61.65	61.12	61.52	-0.23	2,972
Oct 96	61.70	61.07	61.50	-0.20	5,404
Nov 96	62.75	62.32	62.65	-0.10	2,546
Jan 97	64.25	63.87	64.05	-0.05	1,102
Mar 97	64.10	63.75	63.90	-0.10	796
Est. sales 2,700 Fri's. sales 3,844					
Fri's open int 21,342 up 304					
HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Jul 96	60.05	59.20	59.65	+0.53	4,958
Aug 96	57.00	56.35	56.55	-0.15	11,677
Oct 96	53.95	53.35	53.67	+0.22	7,181
Dec 96	55.50	54.90	55.15	-0.25	7,418
Feb 97	77.50	76.85	76.90	-0.62	2,100
Apr 97	75.40	74.90	75.25	-0.37	595
Est. sales 8,063 Fri's. sales 9,335					
Fri's open int 35,054 up 4131					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Jul 96	83.12	82.27	83.12	+2.00	2,164
Aug 96	80.30	79.20	80.30	+2.00	3,297
Feb 97	82.05	80.75	81.02	-0.70	1,076
Mar 97	82.30	81.20	81.70	-0.25	56
May 97	82.97	82.50	82.97	-0.63	48
Jul 97			83.40		1
Est. sales 2,549 Fri's. sales 1,956					
Fri's open int 6,666 off 247					
Food					
COCOA (NCSE) metric tons- $ per ton					
Jul 96	1392	1383	1390	-6	184
Sep 96	1431	1412	1422	+6	30,968
Dec 96	1459	1445	1451	+6	15,662
Mar 97	1481	1470	1475	+7	14,880
May 97			1489	+7	6,677
Est. sales 2,898 Fri's. sales 3,538					
Fri's open int 81,306					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Jul 96	127.25	123.90	126.15	+2.00	968
Sep 96	120.80	116.50	118.45	+1.95	14,787
Dec 96	115.00	112.25	113.50	+1.45	5,025
Mar 97	111.75	109.50	110.75	+1.20	1,799
Est. sales 6,925 Fri's. sales 4,680					
Fri's open int 23,178					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 96	11.71	11.31	11.69	+0.30	69,426
Mar 97	11.21	10.98	11.20	+0.13	35,117
May 97	10.86	10.73	10.86	+0.06	14,141
Jul 97	10.61	10.52	10.58	+0.03	11,528
Est. sales 25,615 Fri's. sales 7,133					
Fri's open int 135,940					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 96	126.10	124.60	125.00	-0.50	1,267
Sep 96	123.25	120.70	121.35	-1.10	10,785
Nov 96	119.80	117.75	118.40	-0.80	2,375
Jan 97	117.70	116.00	116.80	-1.00	3,788
Est. sales N.A. Fri's. sales					
Fri's open int					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jul 96			381.20	-0.30	10
Aug 96	385.00	381.50	382.10	-0.40	87,874
Sep 96			383.40	-0.40	157
Oct 96	387.00	384.40	384.80	-0.30	7,455
Dec 96	390.00	386.90	387.50	-0.30	40,261
Feb 97	389.80	389.50	390.10	-0.10	8,646
Apr 97			392.70	+0.10	5,820
Jun 97	396.00	395.00	395.40	+0.20	8,561
Est. sales N.A. Fri's. sales 12,552					
Fri's open int 197,497					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jul 96	93.00	91.20	91.70	-2.55	4,760
Aug 96	91.30	90.70	91.20	+2.80	3,135
Sep 96	91.55	88.00	90.55	+2.75	19,756
Oct 96			90.15	+2.55	1,267
Nov 96			89.95	-2.45	1,071
Dec 96	90.10	89.10	89.55	+2.10	12,208
Jan 97			89.45	+2.00	832
Feb 97			89.35	+1.90	663
Mar 97	89.60	88.90	89.25	+1.80	5,118
Est. sales N.A. Fri's. sales 7,424					
Fri's open int 57,217					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jul 96	518.5	500.0	511.9	-6.1	436
Aug 96			512.8	-6.3	2
Sep 96	520.0	504.5	506.7	-6.3	57,466
Dec 96	524.0	513.0	514.9	-6.2	22,184
Jan 97			518.3	-6.2	20
Mar 97	532.0	522.5	522.2	-6.1	6,478
May 97			578.5	-6.1	5,500
Jul 97	541.0	537.0	533.9	-6.1	4,092
Est. sales N.A. Fri's. sales 13,061					
Fri's open int 98,856					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 96	392.00	386.00	387.10	-4.70	891
Oct 96	395.60	390.00	391.10	-3.90	21,010
Jan 97	397.30	394.00	393.80	-3.90	2,571
Apr 97	402.00	400.00	396.60	-3.90	2,289
Jul 97	401.50	400.10	399.80	-3.90	42
Est. sales N.A. Fri's. sales 1,535					
Fri's open int 26,803					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1467.00	1468.00	1468½	1467½
Forward	1504.00	1505.00	1504.00	1505.00
Copper Cathodes (High Grade)				
Spot	1993.00	1998.00	1963.00	1965.00
Forward	1935.00	1936.00	1907.00	1908.00
Lead				
Spot	788.00	789.00	785.00	786.00
Forward	793.00	794.00	792.00	793.00
Nickel				
Spot	7520.00	7530.00	7550.00	7555.00
Forward	7630.00	7640.00	7654.00	7655.00
Tin				
Spot	6355.00	6360.00	6375.00	6385.00
Forward	6396.00	6398.00	6410.00	6420.00
Zinc (Special High Grade)				
Spot	1004½	1005½	1005½	1006½
Forward	1032.00	1033.00	1032.00	1033.00

Contract	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct					
Sep 96	94.61	94.55	94.58	-0.02	6,033
Dec 96	94.31	94.25	94.29		1,624
Mar 97	94.11	94.04	94.09	-0.01	75
Est. sales N.A. Fri's. sales 628					
Fri's open int 7,732 up 60					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	104-145	104-00	104-095	- 005	165,386
Dec 96			103-26	- 005	3,471
Est. sales N.A. Fri's. sales 551,627					
Fri's open int 169,057 off 2594					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	105-17	104-29	105-10		282,018
Dec 96	104-27	104-14	104-22		13,195
Mar 97			104-11		221
Est. sales 66,000 Fri's. sales 124,796					
Fri's open int 295,435 up 10743					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 96	106-24	105-28	106-14	+ 01	453,918
Dec 96	106-07	105-12	105-30	+ 02	15,312
Mar 97	105-26	105-17	105-18	+ 02	2,953
Jun 97	105-12	104-31	105-06	+ 02	1,028
Est. sales 320,000 Fri's. sales 400,256					
Fri's open int 476,276 up 14840					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep96	106-11	105-24	106-10	+ 0-07	128,206
Dec96	N.T.	N.T.	105-15	+ 0-07	516
Est. sales: 33,357. Prev. sales: 56,570					
Prev. open int.: 128,722 up 3,333					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep96	95.16	94.85	95.13	- 0.04	205,085
Dec96	94.22	94.00	94.23	- 0.04	4,580
Est. sales: 111,699. Prev. sales: 120,080					
Prev. open int.: 209,665 up 1,315					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 96	121.36	121.12	121.28	-0.22	165,476
Dec 97	119.96	119.82	119.96	-0.20	28,842
Mar 97	119.74	119.74	119.76	-0.24	7,514
Est. volume: 94,452. Open int.: 195,832 off 648.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep96	117.27	116.65	117.21	+ 0.09	65,219
Dec96	116.20	116.17	116.51	+ 0.11	697
Est. sales: 27,761. Prev. sales: 44,527					
Prev. open int.: 65,916 up 3,154					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jul 96	94.300	94.270	94.290	-20	25,865
Aug 96	94.160	94.130	94.140	-30	7,901
Sep 96	94.080	94.020	94.070	-20	409,444
Dec 96	93.720	93.640	93.690		440,058
Mar 97	93.520	93.410	93.480	+10	291,433
Jun 97	93.340	93.220	93.300	+10	234,485
Sep 97	93.200	93.090	93.160		210,221
Mar 00	92.630	92.540	92.600	-10	33,569
Est. sales N.A. Fri's. sales 787,219					
Fri's open int 2,537,685 up 26133					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 96	1.5580	1.5514	1.5532	-34	53,054
Dec 96	1.5560	1.5510	1.5546	-32	1,085
Mar 97			1.5564	-28	6
Est. sales N.A. Fri's. sales 11,923					
Fri's open int 54,145 up 2340					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Can. dlr					
Sep 96	.7318	.7301	.7311	-13	33,197
Dec 96	.7328	.7319	.7326	-12	3,108
Mar 97	.7336	.7332	.7337	-12	398
Jun 97	.7340	.7340	.7343	-12	329
Est. sales N.A. Fri's. sales 20,340					
Fri's open int 37,131 off 137					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 96	.6580	.6558	.6579	+8	56,479
Dec 96	.6616	.6607	.6619	+8	1,995
Mar 97			.6662	+8	288
Est. sales N.A. Fri's. sales 21,669					
Fri's open int 58,762 up 2575					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 96	.009121	.009080	.009114	-10	79,380
Dec 96	.009235	.009221	.009231	-10	3,743
Mar 97	.009345	.009330	.009348	-10	136
Est. sales N.A. Fri's. sales 12,684					
Fri's open int 83,268 up 1653					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 96	.7973	.7943	.7957	-8	37,435
Dec 96	.8035	.8013	.8017	-9	1,185
Mar 97			.8082	-8	58
Est. sales N.A. Fri's. sales 14,832					
Fri's open int 38,883 up 996					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep96	94.27	94.24	94.27	+ 0.02	90,805
Dec96	94.14	94.07	94.14	+ 0.04	82,529
Mar97	93.84	93.74	93.80	+ 0.03	58,953
Jun97	93.34	93.28	93.33	+ 0.02	42,074
Sep97	92.92	92.87	92.92	- 0.01	28,264
Dec97	92.61	92.56	92.60	Unch.	23,406
Mar98	92.36	92.31	92.36	Unch.	16,520
Jun98	92.21	92.16	92.21	Unch.	12,717
Sep98	92.09	92.04	92.09	- 0.01	8,942
Dec98	91.95	91.93	91.98	- 0.02	8,649
Mar99	91.89	91.84	91.89	- 0.03	2,992
Jun99	91.76	91.76	91.79	- 0.01	1,232
Est. sales: 12,050. Prev. sales: 24,689					
Prev. open int.: 69,259 up 4,698					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep96	96.52	96.49	96.52	- 0.01	196,984
Dec96	96.28	96.23	96.28	- 0.02	200,106
Mar97	95.93	95.87	95.92	- 0.01	188,472
Jun97	95.54	95.46	95.53	- 0.01	113,897
Sep97	95.16	95.09	95.16	Unch.	90,603
Dec97	94.83	94.74	94.82	+ 0.01	70,005
Mar98	94.53	94.45	94.53	+ 0.01	19,270
Jun98	94.24	94.17	94.24	+ 0.02	29,863
Sep98	93.98	93.92	93.98	- 0.01	20,737
Dec98	93.74	93.68	93.74	- 0.01	19,629
Mar99	93.55	93.50	93.54	- 0.02	16,354
Jun99	93.37	93.29	93.35	- 0.02	5,125
Est. sales: 102,206. Prev. sales: 184,145					
Prev. open int.: 991,045 up 7,548					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 96	95.98	95.91	95.93	- 0.07	73,713
Dec 96	95.78	95.70	95.73	- 0.07	44,714
Mar 97	95.54	95.46	95.50	- 0.06	25,449
Jun 97	95.26	95.22	95.26	- 0.05	15,446
Sep 97	95.00	94.94	95.00	- 0.04	12,064
Dec 97	94.74	94.70	94.73	- 0.05	7,963
Mar 98	94.50	94.46	94.49	- 0.04	8,337
Jun 98	94.24	94.20	94.24	- 0.04	5,469
Sep 98	94.05	94.03	94.04	- 0.04	3,817
Dec 98	93.77	93.77	93.78	- 0.05	3,907
Mar 99	93.57	93.54	93.56	- 0.05	7,602
Jun 99	93.40	93.37	93.37	- 0.10	1,670
Est. volume: 48,198. Open int.: 210,151 up 1,255.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep96	91.82	91.68	91.82	- 0.07	82,843
Dec96	92.23	92.14	92.21	- 0.03	35,499
Mar97	92.36	92.29	92.36	- 0.04	20,863
Jun97	92.30	92.22	92.30	- 0.04	11,309
Sep97	92.16	92.09	92.14	- 0.05	6,348
Dec97	91.99	91.92	91.98	+ 0.01	2,492
Est. sales: 27,036. Prev. sales: 40,638					
Prev. open int.: 140,464 up 3,871					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Jul 96	71.94	70.00	70.60	+0.55	376
Oct 96	73.00	71.85	72.38	+0.31	7,958
Dec 96	73.49	72.50	72.96	+0.12	33,465
Mar 97	74.85	74.00	74.30	-0.15	7,088
May 97	75.50	74.90	75.20	+0.20	4,943
Jul 97	76.35	75.90	75.85	+0.20	3,597
Est. sales N.A. Fri's. sales					
Fri's open int					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Aug 96	55.90	54.20	54.80	+0.09	33,933
Sep 96	56.05	54.45	55.20	+0.31	11,598
Oct 96	56.20	55.00	55.60	+0.36	6,078
Nov 96	56.50	55.20	55.60	+0.01	7,252
Dec 96	56.90	55.80	56.00	+0.31	19,422
Jan 97	56.75	55.80	56.00	+0.06	8,368
Feb 97	55.90	55.00	55.35	+0.16	4,815
Mar 97	54.00	53.30	53.50	+0.01	2,078
Apr 97	51.95	51.90	51.90	+0.36	1,556
May 97	50.50	50.40	50.50	+0.56	1,316
Est. sales N.A. Fri's. sales 12,686					
Fri's open int 100,427					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Aug 96	21.85	21.06	21.27	+0.06	92,398
Sep 96	20.95	20.24	20.51	+0.73	45,592
Oct 96	20.13	19.56	19.79	+0.10	34,522
Nov 96	19.56	19.05	19.29	-0.09	26,461
Dec 96	19.20	18.76	18.94	+0.07	31,142
Jan 97	18.90	18.55	18.67	+0.06	22,339
Feb 97	18.68	18.40	18.48	+0.05	19,782
Mar 97	18.56	18.20	18.31	-0.03	12,132
Apr 97	18.35	18.05	18.15	+0.01	6,895
May 97	18.22	18.17	18.02		5,549
Jun 97	18.13	17.86	17.92	-0.01	17,855
Jul 97	17.99	17.92	17.84	-0.02	5,455
Aug 97	17.94	17.94	17.76	-0.03	2,521
Est. sales N.A. Fri's. sales 46,672					
Fri's open int 374,045					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Aug 96	2.920	2.775	2.820	-21	41,747
Sep 96	2.840	2.770	2.830	+36	22,161
Oct 96	2.790	2.740	2.780	+26	19,510
Nov 96	2.785	2.745	2.775	-16	12,501
Dec 96	2.800	2.770	2.795	+11	15,053
Jan 97	2.795	2.765	2.785	+6	11,577
Feb 97	2.665	2.640	2.665	+11	7,011
Mar 97	2.450	2.440	2.440	-9	4,952
Apr 97	2.275	2.260	2.275		2,857
May 97	2.185	2.165	2.180		2,598
Jun 97	2.150	2.135	2.135	-10	2,630
Est. sales N.A. Fri's. sales 20,736					
Fri's open int 161,342					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Aug 96	63.95	61.30	61.80	-0.67	28,676
Sep 96	62.10	60.10	60.50	-0.33	10,353
Oct 96	58.95	57.50	57.75	-0.35	3,652
Nov 96	56.90	54.70	54.90	+0.55	1,695
Dec 96	55.50	54.70	54.70	-0.45	1,485
Jan 97	54.85	54.80	54.85	-0.20	792
Est. Sales N.A. Fri's. sales 18,782					
Fri's open int 46,974					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
July 96	177.00	174.75	175.75	- 0.75	11,632
Aug 96	173.00	171.50	172.00	- 1.00	17,052
Sep 96	171.25	169.75	170.50	- 0.75	9,566
Oct 96	170.25	169.00	170.25	Unch.	3,802
Nov 96	169.50	168.50	169.50	Unch.	1,761
Dec 96	169.00	168.00	169.00	Unch.	8,879
Jan 97	167.25	167.00	167.75	+ 0.50	1,954
Feb 97	N.T.	N.T.	165.00	+ 0.75	478
Mar 97	162.00	162.00	162.00	+ 0.50	1,630
Apr 97	158.75	157.75	159.00	+ 0.75	1,145
May 97	N.T.	N.T.	156.75	+ 0.75	104
Jun 97	N.T.	N.T.	154.75	+ 0.75	1,942
Est. sales: 15,678. Open int.: 59,995 off 1,166					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Aug 96	19.80	19.11	19.35	- 0.39	37,473
Sep 96	19.19	18.57	18.81	- 0.29	61,567
Oct 96	18.73	18.21	18.37	- 0.34	23,390
Nov 96	18.34	17.87	18.25	- 0.29	7,097
Dec 96	17.97	17.52	17.65	- 0.30	13,562
Jan 97	17.67	17.67	17.40	- 0.30	11,262
Feb 97	N.T.	N.T.	17.20	- 0.30	5,505
Mar 97	N.T.	N.T.	17.03	- 0.30	4,132
Apr 97	N.T.	N.T.	16.88	- 0.30	3,186
May 97	16.97	16.97	16.75	- 0.30	1,441
Est. sales: 43,842. Open int.: 170,917 up 1,144					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Sep 96	662.90	655.70	656.40	-4.50	171,684
Dec 96	668.90	662.10	662.90	-4.40	7,309
Mar 97	675.50	668.70	673.00	-3.90	1,250
Est. sales N.A. Fri's. sales 46,462					
Fri's open int 180,244 up 1268					
FTSE 100 (LIFFE) £25 per index point					
Sep96	3744.0	3722.0	3735.0	- 3.0	57,425
Dec96	N.T.	N.T.	3756.0	- 3.0	3,511
Est. sales: 10,430. Prev. sales: 21,613					
Prev. open int.: 58,936 off 684					
CAC 40 (MATIF) FF200 per index point					
Jul 96	2092.0	2067.5	2082.0	- 16.00	34,302
Aug 96	2092.5	2070.0	2088.5	- 16.00	2,514
Sep 96	2105.0	2084.0	2095.5	- 16.00	20,672
Dec 96	2121.5	2108.0	2116.5	- 16.00	4,389
Mar 97	2137.0	2137.0	2137.5	- 16.50	4,673
Sep 97	N.T.	N.T.	2126.5	- 16.50	4,785
Mar 98	N.T.	N.T.	2180.0	- 16.00	1,870
Est. volume: 20,707. Open int.: 73,145 off 1,663.					

Commodity Indexes

	Close	Previous
Moody's	1,523.90	N.A.
Reuters	1,996.30	1,994.20
D.J. Futures	143.71	142.89
CRB	249.97	248.73

Airbus Will Become A Corporation by '99 To Streamline Group

Compiled by Our Staff From Dispatches

PARIS — The four members of the Airbus Industrie consortium said Monday they were planning to convert to a corporation by 1999, a change that would streamline decision-making and reduce the liability of the owners.

Airbus is currently a partnership involving Aerospatiale of France, British Aerospace PLC, Construcciones Aeronáuticas SA of Spain and Deutsche Aerospace AG of Germany.

Aerospatiale and Daimler-Benz Aerospace are the largest members of the consortium, with 37.9 percent each. BAe has 20 percent, while Construcciones Aeronáuticas has a 4.2 percent share.

Airbus's four board members, Louis Gallois of Aerospatiale, Manfred Bischoff of Daimler-Benz Aerospace, Dick Evans of BAe and Raúl Herrand of Construcciones Aeronáuticas, said they thought "current indications are that it would be feasible for this to be done by 1999."

"Honestly, I think it's going to be a long process," said Agnès de Petigny, an analyst with Standard & Poor's Corp. "Airbus is extremely important to the countries involved — it's a very political issue."

Airbus has won an increasing number of orders in recent years. It now has a 30 percent share in its market, compared with Boeing Co.'s 60 percent. Airbus has vowed to raise its share to 50 percent shortly after 2000, and the two manufacturers are neck-and-neck in terms of net orders for the first half of this year.

Airbus's present structure is complicated and leads to high labor costs, long decision-making procedures and duplicated research, analysts say.

The individual partners, not Airbus, hold the consortium's assets and are liable for its debts. If the group were to become an independent company, each of Airbus's partners would become shareholders with limited responsibility for debts and other liabilities.

"With its current structure, Airbus doesn't have the means to secure the enormous financing it needs to expand its product offering," Ms. Petigny of Standard & Poor's said.

Airbus has told airlines and analysts that it is eager to go ahead with a program for a jumbo jet with more than 500 seats — a project that would cost around $10 billion.

One option for Airbus that has been the subject of much speculation is that BAe could raise its 20 percent stake and increase its share of the work.

"Clearly, British Aerospace would like a larger stake in a successful entity," Chris Avery, an analyst at Paribas Capital Markets in London, said in an interview last week. In March, Jonathan Schofield, chief executive of Airbus's North American division, said Airbus Industrie would probably be a publicly traded company in the next few years.

"Ultimately, it will happen; it's not simple, but it is doable," he said at an aviation conference in Washington. *(AFX, Bloomberg)*

Nestlé Says It Won't Quit L'Oréal

Rumors Are Denied as 'Very Good Year' for Profit Is Forecast

Bloomberg Business News

SALZBURG — Nestlé SA chairman, Helmut O. Maucher, denying market rumors, said Monday that Nestlé had no plans to sell its stake in L'Oréal SA and forecast a "very good year" for Nestlé earnings.

Mr. Maucher, who also holds the post of chief executive officer, made his comments after Nestlé's registered shares soared to an all-time high last week amid talk that Nestlé might sell its stake in L'Oréal, a major French cosmetics company, or reorganize.

"I can assure you there's no ground for these rumors," Mr. Maucher said. "We will certainly not sell our stake, because this is a strategic participation."

Mr. Maucher's statement repeated Nestlé's earlier comments about its indirect stake in L'Oréal, which it has held since 1974. He attributed last week's talk to "uninformed analysts."

Nestlé owns 49 percent of Gesparal, the holding company that controls L'Oréal. The other 51 percent is owned by the Bettencourt family. The cosmetics company had sales of 53.4 billion French francs ($10.3 billion) last year.

"It is a very profitable investment, and it is adding value to our share, to our business, every year," Mr. Maucher said. "Even from a financial point of view, there's no reason to sell it."

Nestlé is scheduled to release its first-half sales figures next Tuesday, and analysts expect higher sales and volume. Nestlé had 1995 sales of 56.5 billion Swiss francs ($44.8 billion).

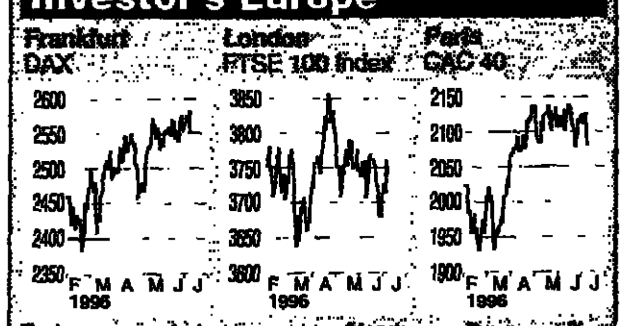
Mr. Maucher said Nestlé expected net income this year to surpass last year's 2.92 billion Swiss francs, as the dollar is rising against the franc and coffee prices are falling. "There is no doubt about higher profit in 1996 due to the good development of our sales," Mr. Maucher said.

"It will be a very good year," Mr. Maucher said at an international summit meeting on Eastern Europe sponsored by the World Economic Forum in Salzburg.

Mr. Maucher also denied further restructuring plans and dismissed talk of a move into pharmaceuticals, saying drugs were not a "strategic priority" of the food and beverage producer.

"We are not going big into pharmaceuticals," said Mr. Maucher, who also denied the company was planning to sell Alcon, an opthalmics and surgical-products maker. Pharmaceuticals revenue, at 2.16 billion Swiss francs, accounts for 3.8 percent of Nestlé's overall sales.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	EOE	554.45	558.93	-0.80
Brussels	Stock Exchange	9,515.03	9,584.78	-0.73
Frankfurt	DAX	2,551.84	2,583.49	-1.23
Copenhagen	Stock Market	410.91	413.08	-0.53
Helsinki	HEX General	2,028.58	2,027.23	+0.07
Oslo	OBX	458.84	462.70	-0.83
London	FTSE 100	3,741.70	3,743.20	-0.04
Madrid	Stock Exchange	365.74	368.94	-0.88
Milan	MIBTEL	10,449.00	10,514.00	-0.62
Paris	CAC 40	2,079.06	2,098.79	-0.94
Stockholm	SX 16	2,036.28	2,033.53	+0.14
Vienna	ATX	1,076.72	1,086.21	-0.87
Zurich	SPI	2,404.34	2,406.49	-0.09

Source: Telekurs — International Herald Tribune

Investors Merge to Target Eastern Europe

Bloomberg Business News

PRAGUE — The Czech Republic's Harvard Group and the Bahamas-based investor Michael Dingman's Stratton Group said Monday they had merged their Czech and Russian holdings in a $1.4 billion company for high-risk investments in Eastern Europe.

The new joint venture, Daventree, is owned 50 percent by each partner. The partners plan to sell shares in the company on stock exchanges in Prague, New York and London, company officials said.

"The corporate world doesn't have the stomach to take this kind of risk," the president of Harvard Group, Viktor Kozeny, said in Salzburg, Austria, where he was attending a Central and Eastern European economic summit meeting. "The role which we play is really a function which in reality the large investment banking houses can't fulfill." The new venture helps clarify the ownership structure of acquisitions jointly made by Mr. Kozeny and Mr. Dingman, a former president of AlliedSignal Inc., in the Czech Republic last year.

It is also the latest twist in Mr. Kozeny's expanding Eastern European strategy. That plan began in the early 1990s when he started the republic's first investment fund, which became popular among foreign investors for its portfolio of shares acquired during the government's state-asset sales.

Mr. Kozeny said a number of acquisitions in Ukraine, Russia and elsewhere were planned "very soon" and would take place before Daventree issued new shares.

The company will focus on investments in Eastern Europe but may expand into other emerging markets, Mr. Kozeny said.

Very briefly:

- **Tomkins PLC's** pretax profit for the year ended in April rose 7 percent, to £322.9 million ($502.2 million) as sales fell 3 percent, to £3.6 billion, because of seasonal factors and exchange-rate fluctuations. The British-American conglomerate raised its dividend 15 percent, to 9.95 pence a share.
- **Unigate PLC** agreed to buy **Kraft Inc.'s** European margarines and spreads business for £77.2 million. Kraft is a subsidiary of **Philip Morris Cos.**
- **Gazprom** auctioned 7.5 million shares in the Russian gas monopoly for an average of 1,439 rubles (28 cents) a share. The next auction is scheduled for July 17, when 7.5 million shares will be traded at 1,367 rubles a share.
- **France Telecom** is cutting its national and international call rates by an average of 13 percent starting Tuesday as part of its plan to reduce telephone charges ahead of free competition in the European telecommunications market in 1998. Charges for local calls and private subscriptions are unchanged.
- **Rodamco NV** is negotiating with shareholders of **Cegep SA** of France to buy their combined 82 percent holding in Cegep. Rodamco is offering 250 francs ($48.49) a share to **Geneurope Holding BV, Financière Covest, Cofragep** and **Boucheries Nivernaises.** If a deal goes through, Rodamco plans a public bid for the remaining Cegep shares.
- **East German** wages would have to fall 20 percent for the region to become competitive, the DIW economic research institute said.
- **VIAG AG** will list American depositary receipts in New York that will be valued at one-tenth of its stock's present value, or at about $40.
- **Metro Holding AG** will start an on-line service by Aug. 1 in conjunction with a U.S. company, possibly **AT&T Corp.**, the German newspaper Welt am Sonntag reported.
- **Istituto Mobiliare Italiano SpA's** offering of a final tranche of shares was priced at 12,040 lire $7.86) a share, for a total of 501 billion lire, completing the company's privatization. *Reuters, Bloomberg, AFX.*

Standard Life to Sell 29% Stake in Bank

AFX News

LONDON — Standard Life Assurance Co. said Monday it would sell as much as a 29 percent stake in Bank of Scotland PLC, valued at £860 million ($1.34 billion), leaving it with a stake of 2.5 percent.

The company, which announced in May that it planned to sell some or all of its Bank of Scotland shares to diversify its portfolio, said it planned a two-week public offering of as many as 351 million shares in Britain, Continental Europe and the United States.

It said that Bank of Scotland, in its presentations to investors that began Monday, would stress that it has had annual compound growth of 17 percent in pretax profit since 1989. Bank of Scotland's shares rose 4 pence Monday, to 245. Sir Bruce Pattullo, Bank of Scotland's governor, said he expected most of the investor interest in the sale to come from British institutional investors, several of which he said were "clearly underweight" in their Bank of Scotland holdings because of the size of the Standard Life stake.

Sir Bruce said the bank's current year, which began April 1, had started well, with "encouraging signs" that margins, particularly in the mortgage business, had begun to stabilize. He said investment spending would remain fairly high this year and said the bank was committed to maintaining its record of dividend growth. But, citing the need to retain capital in the business, he warned against expecting a large jump in the dividend this year.

Russian Bank Goes Under

Compiled by Our Staff From Dispatches

MOSCOW — The Russian central bank said Monday it had taken over operations of AKB Tveruniversalbank, as a crisis triggered by the recent drop in yields on Russian treasury bills claimed its first victim.

Yields on the bills, known as GKOs, have dropped more than 135 percentage points — from 212 percent to 76.4 percent — in the past month as prices rose on the correct expectation that President Boris N. Yeltsin would be re-elected. Analysts said the decline in yields was causing trouble for many banks, as yields on promissory notes and on corporate loans are determined by GKO yields.

Sergei Dubinin, chairman of the central bank, downplayed the bank incident. "From time to time, we must withdraw licenses," he said at a conference in Salzburg. "This is inevitable when we have 2,100 banks and the situation in the economy is not so good as we always want to see." *(Bloomberg, Reuters)*

WORLD STOCK MARKETS

Monday, July 8
Prices in local currencies.
Telekurs

Amsterdam — EOE Index: 554.45; Previous: 558.93

	High	Low	Close	Prev.
ABN-AMRO	90.30	88.80	89.40	91.30
Aegon	81.30	78.90	80.10	81.20
Ahold	92.30	91.60	92.10	92.40
Akzo Nobel	201.30	199.30	200.90	201.60
Bols Wess cva	28.30	28.10	28.20	28.40
CSM cva	83	80	82.60	82.50
Dordtsche Pet	276.90	274.70	275.60	279.20
DSM	164.20	162.30	163.50	165.20
Elsevier	26.20	25.90	26	26.10
Fortis Amev	49	47.80	48.30	49.30
G-Broc cva	55.90	55.20	55.70	55.80
Hagemeyer	129.90	127.80	129.40	130
Heineken	378	373.20	376	378
Hoogovens	61	60.40	61	60.80
Hunt Douglas	114	112.50	113.90	114.20
ING Group	50	48.90	49.50	50.60
KLM	55.40	54.30	55.30	55
KNP BT	40.60	39.60	40.10	40.50
KPN	64.30	63.30	64.10	64.10
Nedlloyd Gp	39.10	38.20	38.60	39.30
Nutricia	183.50	182	183.20	184
Oce Grinten	178.50	176.40	176.60	179
Pakhoed	45.90	45.30	45.90	46.30
Philips Elec	54.70	53.90	54.70	54.50
Polygram	96.40	94.60	95.10	96.60
Randstad Hdg	127.30	125	127.30	128
Robeco	127.20	125.90	125.90	127.50
Rodamco	47.20	46.70	46.90	47.20
Rolinco	137.70	136.60	136.60	138.20
Rorento	97.20	97	97	97.10
Royal Dutch	262	260.10	261	263.50
Stork	49.70	48.70	48.90	50.30
Unilever cva	245.50	243	244.40	246
VNU	26.20	25.70	26	26
Wolters Kl cva	192.80	189.60	192.80	197

Bangkok — SET Index: 1241.27; Previous: 1257.99

	High	Low	Close	Prev.
Adv Info Svc	390	380	382	398
Bangkok Bk F	362	360	360	364
Krung Thai Bk	119	116	118	119
PTT Explor	368	360	364	372
Siam Cement F	1342	1336	1336	1360
Telecomasia	53.50	52.50	53	52.50
Thai Airways	55	54	54.50	55
Thai Farm Bk F	294	290	290	298
Thai Teleph	52.50	51	52.50	53.50
Utd Comm	326	318	320	330

Bombay — Sensitive Index: 3707.87; Previous: 3781.74
Friday, July 5

	High	Low	Close	Prev.
Assoc Cement	2338	2260	2280.25	2305.50
Grasim Ind	537	522.25	528.50	535.75
Hindalco Ind	1205	1188.50	1193.50	1191.25
Indust Lever	899	865	878.25	858.50
Indian Hotels	818.50	802	806	808.50
ITC	309.75	301.25	308.25	301.75
Larsen Toubro	279.25	273	275	277.50
Reliance Ind	192.25	183.50	186	188.50
Tata Eng Loco	535	520	529	524.50
Tata Iron St	234.25	227.75	230.25	231.75

Brussels — Stock Exchange Index: 9515.03; Previous: 9584.78

	High	Low	Close	Prev.
Arbed	3500	3465	3470	3500
Barco Ind	5100	5060	5070	5150
BBL	5900	5820	5880	5900
Bekaert	25400	24950	25000	25425
CBR	2390	2370	2380	2385
CMB	2560	2535	2500	2560
Cockerill	139	135	136	138
Colruyt	16600	15550	15600	16700
Delhaize Lion	1625	1605	1615	1630
Electrabel	6850	6780	6850	6810
Electrafina	2780	2695	2720	2760
Fortis AG	4135	4105	4135	4135
GIB	1436	1418	1430	1442
GBL	4000	3930	3960	3975
Gen Banque	11100	10825	11025	11150
Glaverbel	3450	3390	3390	3475
Kredietbank	9650	9580	9650	9690
Mosane	2350	2300	2350	2355
Petrofina	9920	9870	9920	9960
Powerfin	4450	4380	4440	4450
Recticel	310	310	310	310
Royale Belge	6020	5960	5980	6050
Soc Gen Belg	2385	2335	2360	2375
Solvay	18800	18650	18675	18675
Tessenderlo	11250	11175	11175	11200
Tractebel	12825	12700	12800	12950
UCB	58350	56500	57300	59000
Union Miniere	2340	2320	2340	2350

Copenhagen — Stock Index: 410.91; Previous: 413.08

	High	Low	Close	Prev.
Carlsberg B	340	339.60	340	344
Danisco	303.26	297	302	300
Den Danske Bk	392	378.25	388	390
D/S Svendbrg A	N.T.	N.T.	N.T.	190000
D/S 1912 A	N.T.	N.T.	N.T.	132000
East Asiatic Co	122	119	121	119.85
FLS Ind B	620	618	615	614.27
ISS Intl Svc B	133	127	133	130
Novo Nordisk B	847	840	847	846
Radiometer B	375	370	372	376
Sophus Ber B	794	789	793	793
Tele Danmark B	290	280	286	295
Unidanmark A	272	264	266	267

Frankfurt — DAX: 2551.84; Previous: 2583.49

	High	Low	Close	Prev.
AMB	925	920	925	920
AEG	160	160	160	160
Allianz Hdg	2602	2586	2597	2626
Altana	1131.50	1126	1129.50	1142
Asko Deutsche	1100	1088	1100	1110
Badenwerk	550	550	550	548
BASF	44.75	44.30	44.30	45.45
Bayer Hypo Bk	36.90	36.72	36.88	37.39
Bay.Vereinsbank	42.80	42.55	42.70	43.40
Bayer	52.65	52.13	52.32	53.55
Berliner Kraft	433.50	430	433	428.50
BHF Bank	37.70	37.20	37.55	37.80
BMW	896	890	895	897
CKAG Colonia	1185	1160	1185	1145
Commerzbank	312.50	311	311.50	317.80
Daimler Benz	81.45	81.25	81.40	82.08
Degussa	522	516	518	525.20
Deutsche Bank	70.75	70.45	70.69	71.43
Dresdner Bank	38.12	38.05	38.10	38.28
Heidelbg Zmt	1040.00	1040	1040	1045
Henkel	63.30	62.71	63.21	64.75
Hochtief	681	675	675	674
Hoechst	51.85	51.38	51.75	52.75
Holzmann Ph.	410	403	406	410
Karstadt	579	575.50	576	582
Kaufhof Hdg	565	564	565	578.50
Linde	967	955	967	968.50
Lufthansa ord	221.50	220	220	225
MAN	381	377	381	383
Mannesmann	529	524	529	522.80
Muench Rueck	3119	3065	3097	3090
Preussag	386.50	383.50	384.50	387.20
PWA	199	196	199	201
RWE	58.60	58.30	58.55	59.38
SAP pfd	224.50	225	226	229.80
Schering	109.60	108.25	108.35	110.15
Schmalb Lub	280	279	279.80	285
Siemens	81.70	81.25	81.32	82.48
Suedzucker	767	767	767	767
Thyssen	296.50	295	295.50	296.50
Veba	80.45	80	80.32	81.30
VEW	516.80	516	516.80	517
Viag	602.50	601.50	602.40	607
Volkswagen	557.50	554	556	559.75
Wella	849	843	846	856

Helsinki — HEX General Index: 2028.58; Previous: 2027.23

	High	Low	Close	Prev.
Cultor I	235	230	230.10	238
Enso R	36.50	34.50	36.50	36.10
Huhtamaki IF	157	155	157	159
Kesko	71.30	70.50	71	71.50
Kone BF	512	502	502	515
Merita A	9.85	9.70	9.80	9.90
Metra BF	213	211	212	211
Metsa-Serla B	32.80	32.30	32.50	32.70
Nokia Prf F	176	169.50	175	174
Outokumpu A	79	78.50	78.90	79.10
Rautaruukki	35	34.70	35	34.30
Stockmann A	255	250	255	253.20
UPM-Kymmene	96.50	95.70	96	96
Valmet A	75.50	74.60	75.50	75

Hong Kong — Hang Seng: 10898.10; Previous: 11172.10

	High	Low	Close	Prev.
Amoy Props	9.15	9.05	9.10	9.45
Bk East Asia	28	27.65	27.70	28.45
Cathay Pacific	13.55	13.15	13.30	14
Cheung Kong	56	55	55.50	57.50
China Light	34.20	33.90	34	34.50
Chin Estates	6.75	6.65	6.75	6.85
Citic Pacific	30.90	30.50	30.60	31.60
Cons Elec Pwr	12.30	12.15	12.15	12.55
Dao Heng Bk	31.50	30.90	31.30	32
First Pacific	11.80	11.40	11.70	12
Great Eagle	22.20	21.65	21.85	22.45
Guangdong Inv	4.70	4.60	4.78	4.80
Guoco Group	38.70	38.30	38.30	39.38
Hang Lung	14.45	14.30	14.35	14.65
Hang Seng Bk	77	75.75	76	78
Henderson Inv	6.90	6.80	6.90	7
Henderson Ld	58.50	57.25	[illegible]	59.25
HKR Intl	9.10	8.95	9.10	9.20
HK Aircraft	22.20	21.80	22	22.70
HK China Gas	12.15	12	12.05	12.30
HK Electric	24.35	24.05	24.35	24.80
HK Shang Htls	13.05	12.90	13.05	13.35
HK Telecomm	13.55	13.30	13.35	13.80
Hopewell Hdgs	4.20	4.10	4.18	4.28
HSBC Hdgs	121.50	119.50	121	123
Hutchison Wh	48	47.40	47.80	48.70
Hysan Dev	23.30	22.65	22.75	23.60
Johnson El 500	17.50	17	17.05	17.70
Mandarin Hotel	16.20	15.80	15.85	16.40
Mdi Mutual	6.50	6.40	6.40	6.70
New World	35.90	35.50	35.90	37
Oriental Press	4.20	3.95	4.18	4.18
Orient Telecom	3.58	3.50	3.55	3.60
Shangri-La	10.55	10.40	10.40	10.75
SHK Props	76.75	76	76.25	78.25
Shun Tak Hdgs	4.73	4.55	4.63	4.75
Sino Land Co.	7.70	7.55	7.60	7.90
Sth China Post	5.05	4.93	4.98	5.15
Swire Pac A	66.75	65.50	65.75	67.75
Tsim Sha Tsui	10	9.80	10	10
TV Broadcasts	28.70	28.40	28.45	29.80
Wharf Hdgs	27.90	27.20	27.25	28.25
Wheelock	15.10	14.65	14.90	15.15

Jakarta — Composite Index: 572.87; Previous: 575.85

	High	Low	Close	Prev.
Astra Intl	2550	2500	2550	2500
Bank Pacific	1400	1350	1375	1375
Gudang Garam	9300	9000	9200	9400
Indah Kiat	2175	2150	2150	2175
Indocement	7650	7550	7575	7800
Indofood	10400	10200	10400	10400
Indorayon	2150	2100	2150	2150
Indosat	7425	7300	7400	7350
Kalbe Farma	5775	5150	5150	5250
Sampoerna	24600	23800	24575	24600

Johannesburg — All Market: 6871.26; Previous: 6985.06

	High	Low	Close	Prev.
AngloAm-Corp	270	269.25	270.50	278.50
AngloAm Gold	401.50	399.75	399	399
AngloAm Ind	168	166	166.75	166.75
Barlow	45.40	45	45.35	45.55
C.G. Smith	22.80	22.65	22.90	22.90
De Beers	148	147.50	148	148
Driefontein	61.50	60.75	60.25	60.25
Freegold	46.50	45.75	45.35	45.35
Fst Natl Bk	30.50	30	30.50	30.50
Gencor	15.75	15.65	15.85	15.85
GFSA	134.75	134.75	133	133
Iscor	3.27	3.20	3.30	3.30
Johnnies Ind	57	56.75	57	57
Kloof Gold	48	46.60	45.80	45.80
Liberty Life	136.25	136	137	137
Minorco	100	99	100.50	100.50
Nedcor	63.50	63	64	64
Rembrandt Gp	41	40.65	41.60	41.60
Richemont	69	67	68	68
Rust Platinum	68	67.50	67.50	67.50
SA Breweries	126.75	126	127	127
Sappi	47	46	47.20	47.20
Sasol	45.40	45.25	45.40	45.40
SBIC	169	168.50	169.50	169.50
Tiger Oats	63	62.50	63	63

Kuala Lumpur — Composite: 1125.37; Previous: 1133.18

	High	Low	Close	Prev.
Genting	19.60	19.30	19.30	19.60
Hicom Hldgs	7.05	6.90	7.05	7.05
Mal Banking	24.50	23.80	24.10	24.60
Mal Intl Ship F	7.80	7.25	7.40	7.80
Public Bank F	5.20	4.94	5	6.70
Resorts World	13.80	13.60	13.80	14
Sime Darby	7.25	7.15	7.20	7.30
Telekom Mal	21.90	19.90	21.80	21.30
Tenaga	10.20	10.10	10.10	10.20
Utd Engineers	17.20	17	17.20	17.20

London — FT-SE 100: 3741.70; Previous: 3743.20

	High	Low	Close	Prev.
Abbey Natl	5.86	5.78	5.82	5.85
Allied Domecq	4.55	4.45	4.50	4.46
Anglian Water	5.65	5.57	5.63	5.90
Arjo Wiggins	1.76	1.70	1.76	1.73
Asda Group	1.22	1.18	1.21	1.20
Assoc Br Foods	4.05	4.01	4.01	4.04
BAA	4.68	4.55	4.60	4.63
Barclays	8.03	7.94	7.97	7.99
Bass	8.37	8.25	8.34	8.32
BAT Ind	4.95	4.85	4.93	4.96
Bank Scotland	2.46	2.39	2.45	2.41
BICC	3.11	3.08	3.08	3.10
Blue Circle	3.73	3.67	3.68	3.73
BOC Group	9.38	9.30	9.36	9.35
Boots	5.95	5.87	5.91	5.94
Bowater	3.50	3.45	3.45	3.48
BPB Ind	3.41	3.32	3.32	3.40
Brit Aerosp	9.77	9.61	9.62	9.81
Brit Airways	5.41	5.30	5.38	5.38
Brit Gas	1.80	1.77	1.80	1.80
Brit Petm	5.94	5.85	5.94	5.91
Brit Steel	1.70	1.67	1.69	1.70
Brit Telecom	3.47	3.36	3.42	3.40
BTR	2.50	2.17	2.46	2.49
Burmah Cast	10.17	10.10	10.12	10.19
Cable Wireless	4.17	4.03	4.09	4.15
Cadbury Schw	5.10	5.03	5.07	5.07
Caradon	2.15	2.12	2.12	2.17
Carlton Comm	5.01	4.91	4.96	4.96
Coats Viyella	1.96	1.72	1.72	1.76
Comml Union	5.69	5.63	5.67	5.75
Courtaulds	4.24	4.19	4.20	4.25
De La Rue	6.07	5.98	6.07	6.05
Eng China Cl	2.75	2.68	2.69	2.75
Enterprise Oil	4.79	4.71	4.77	4.74
Fam Colonial	1.55	1.53	1.55	1.57
Genl Accident	6.37	6.27	6.37	6.35
GEC	3.75	3.66	3.74	3.68
GKN	10	9.87	9.96	9.95
Glaxo	8.80	8.53	8.74	8.81
Granada Gp	8.33	8.20	8.24	8.34
Grand Met	4.50	4.37	4.37	4.52
GRE	2.46	2.40	2.44	2.44
Guinness	4.80	4.63	4.73	4.71
GUS	6.80	6.71	6.76	6.74
Hanson	1.72	1.67	1.71	1.72
Hillsdown Hdg	1.76	1.72	1.73	1.73
HSBC Hldgs	10.32	10	10.12	10.15
ICI	7.83	7.70	7.77	7.77
Inchcape	2.84	2.80	2.81	2.82
Kingfisher	6.31	6.24	6.31	6.30
Ladbroke	1.91	1.85	1.88	1.88
Land Sec	6.25	6.10	6.21	6.25
Laporte	7.03	6.95	6.95	7.09
Lasmo	1.75	1.73	1.73	1.76
Legal Genl Grp	6.73	6.67	6.68	6.71
Lloyds Abbey	5.30	5.26	5.29	5.26
Lloyds TSB Gp	3.36	3.27	3.35	3.30
London Elec	6.37	6.10	6.37	6.10
Lucas Ind	2.24	2.16	2.17	2.26
Marks Spencer	4.99	4.86	4.89	4.88
MEPC	4.07	4.02	4.07	4.03
Mercury Asset	9.72	9.65	9.65	9.73
Midlands Elec	4.20	4.18	4.18	4.18
Natl Power	5.34	5.26	5.31	5.33
NatWest	6.28	6.21	6.28	6.22
News Intl	4.10	4.05	4.09	4.12
Utd Utilities	5.55	5.44	5.49	5.55
Nthern Foods	1.82	1.76	1.82	1.78
P&O	4.82	4.70	4.77	4.76
Pearson	6.71	6.30	6.47	6.42
Pilkington	1.88	1.84	1.87	1.87
PowerGen	4.82	4.72	4.79	4.78
Prudential	4.17	4.08	4.14	4.12
Rank Org	4.95	4.79	4.95	4.86
Reckitt Colm	6.93	6.83	6.87	6.94
Redland	4.12	4.02	4.07	4.08
Reed Intl	10.97	10.64	10.90	10.90
Rentokil	4.22	4.15	4.19	4.19
Reuters Hdgs	7.80	7.66	7.73	7.72
RMC Group	10.65	10.45	10.65	10.50
Rolls Royce	2.27	2.22	2.24	2.27
Royal Bk Scot	5.01	4.92	4.94	5
RTZ reg	9.47	9.35	9.44	9.41
Royal Insur	4.02	3.92	4.02	3.97
Safeway	3.39	3.33	3.35	3.38
Sainsbury	3.73	3.67	3.68	3.71
Schroders	13.45	13.32	13.32	13.45
Scot Newcastle	6.69	6.65	6.67	6.71
Scot Power	3.07	3	3.06	3.06
Sears	1	0.97	0.97	0.99
Severn Trent	5.55	5.33	5.42	5.42
Shell Trsp reg	9.33	9.28	9.33	9.33
Siebe	9.28	9.15	9.23	9.24
Smith Nephew	2.06	2.04	2.06	2.05
Smith (WH)	4.84	4.80	4.81	4.80
SmithKline	7.17	7.05	7.07	7.17
Smiths Ind	7.05	6.97	7	7.03
Sthern Elec	7	6.95	6.97	7.26
Stand Charter	6.41	6.30	6.33	6.39
Sun Alliance	3.74	3.65	3.73	3.73
Tate & Lyle	4.73	4.68	4.68	4.71
Tesco	3.06	3	3.03	3.05
Thames Water	5.72	5.58	5.65	5.71
Thorn EMI	18.05	17.84	18.01	17.95
3i Group	4.40	4.33	4.36	4.39
TI Group	5.43	5.34	5.37	5.40
Tomkins	2.53	2.45	2.51	2.48
Unilever	12.53	12.36	12.38	12.51
Utd Biscuits	2.27	2.22	2.24	2.25
Utd News	6.67	6.60	6.63	6.64
Vendome uts	6.06	6.04	6.04	6.06
Vodafone	2.40	2.34	2.36	2.38
Whitbread	7.33	7.27	7.32	7.32
Williams Hdgs	3.31	3.27	3.31	3.31
Wolseley	4.53	4.48	4.50	4.52
Zeneca	14.75	13.73	14.60	14.64

Madrid — Bolsa Index: 365.74; Previous: 368.94

	High	Low	Close	Prev.
Acerinox	12800	12730	12790	12730
ACESA	1465	1440	1455	1490
Argentaria	5610	5540	5580	5640
BBV	5330	5250	5330	5310
Banesto	818	811	817	818
Bankinter	14490	14000	14350	14500
Bco Centro Hisp	2585	2570	2585	2600
Bco Exterior	2950	2950	2950	2950
Bco Popular	21800	21510	21710	21780
Bco Santander	6020	5940	6010	5970
CEPSA	4250	4200	4285	4270
Corp Mapfre	6400	6260	6370	6410
Dragados	1665	1645	1665	1660
Endesa	7790	7710	7790	7760
FECSA	984	970	983	986
Fomento Const	10490	10210	10350	10330
Gas Natural	26750	26000	26520	26750
Hidroel Cantab	4375	4350	4365	4400
Iberdrola	1270	1230	1270	1250
Pryca	3150	3065	3100	3140
Repsol	4435	4380	4430	4410
Sevillana Elec	1125	1075	1125	1125
Tabacalera	6490	6380	6490	6540
Telefonica	2300	2260	2295	2295
Union Fenosa	790	782	790	790
Valenc Cement	1515	1480	1500	1500

Manila — PSE Index: 3330.16; Previous: 3374.48

	High	Low	Close	Prev.
Ayala A	26	26	26	27
Ayala Land	48.50	48	48.50	49.50
Manila Elec A	152	149	150	153
Metro Bank	780	750	770	760
Petron	11.75	11.50	11.75	12
Phil Long Dist	1595	1580	1590	1605
San Miguel A	44.50	43.50	44	44.50
San Miguel B	88.50	88	88.50	89.50
SM Prime Hdg	7.10	6.90	7	7.10

Mexico — Bolsa Index: 3076.21; Previous: 3105.92

	High	Low	Close	Prev.
Alfa A	32.30	31.95	32.25	32.70
Cemex B	27.65	27.10	27.50	27.70
Cifra C	10.60	10.58	10.58	10.70
Empresas ICA	104.40	99.50	99.50	104.40
Emp Moderna	33.50	33.00	33.40	33.85
Femsa	20.20	19.72	19.92	20.20
Gpo Carso A1	51.60	51.30	51.50	51.80
Televisa CPO	109.80	104.30	105.50	109.80
TelMex L	12.66	12.46	12.56	12.66
Tribasa	20.20	20.20	20.20	20.20

Milan — MIB Telematico: 10449.00; Previous: 10514.00

	High	Low	Close	Prev.
Alleanza Assic	13470	13110	13380	13450
Bca Comm Ital	3085	3040	3045	3060
Bca Naz Agricol	900	873	895	900
Bca Naz Lavoro	11100	10800	11080	10900
Bco di Roma	1410	1345	1401	1376
Bco Ambrosiano	4190	4050	4165	4065
Benetton	20950	20300	20950	20650
Credito Italiano	1907	1750	1785	1795
Fiat	5160	5110	5150	5185
Fondiaria	7290	7125	7185	7320
Generali Assic	35500	35150	35250	35600
IFIL	4560	4445	4485	4480
Italcementi	12000	11620	11710	12045
Italgas	5860	5735	5770	5860
Mediobanca	9580	9315	9315	9510
Montedison	868	849	865	865
Olivetti	885	841	883	870
Pirelli	2585	2540	2545	2580
RAS	15300	15005	15100	15230
Rinascente	10580	10090	10450	10700
S Paolo Torino	9780	9525	9700	9700
SME	2200	2200	2200	2200
Standa	16500	16000	16500	16500
Stet	5225	5175	5205	5225
Telecom Italia	3295	3220	3225	3300
Toro Assic	18890	18400	18890	19035

Montreal — Industrials Index: 2501.31; Previous: 2515.19

	High	Low	Close	Prev.
Alco I	19	18.90	19	19
Bank Montreal	33.40	33¼	33.30	33.55
Bce Mob Com	44.10	44.10	44.10	44¼
Cdn Tire A	17.35	17¼	17.35	17¼
Cdn Util A	27.15	27.05	27.05	27.15
Cascades	5.85	5.85	5.85	5.85
CT Finl Svc	26.15	25.60	26.15	26.30
Extendicare	17.00	17.00	17.00	16.80
Gaz Metro	15.15	15.10	15.15	15.10
Gt-West Lifeco	N.T.	N.T.	N.T.	33.90
Hees Intl Bcp	15.90	15.80	15.90	15.90
Hudson's Bay	20.40	20.20	20.20	20½
Imasco	27.65	27.60	27.60	27.85
Investors Grp	17.50	17.35	17.50	17.40
Loblaw Cos	10.95	10.95	10.95	11
Molson A	22¼	22.10	22.10	22.10
Natl Bk Canada	11.35	11¼	11.25	11.35
Oshawa A	20.85	20.85	20.85	20.85
Pancdn Petlm	54.00	53.75	53.75	54.25
Power Corp	21.90	21.60	21.75	21.80
Power Finl	37.80	37½	37.65	37.65
Quebecor B	21.35	21.30	21.35	21½
Rogers Comm B	12¾	12.45	12¾	12.80
Royal Bk Cda	33.20	33	33.10	33¼
Sears Canada	7.85	7.80	7.80	7.95
Shell Cda A	46½	46.05	46½	46.15
Southam	16½	16.20	16½	16.60
Stelco A	6.10	6.05	6.05	6.20
Trilon Finl A	5.40	5.40	5.40	5.40

Oslo — OBX Index: 458.84; Previous: 462.70

	High	Low	Close	Prev.
Aker A	127.50	126.50	127	128
Bergesen Dy B	130	126	126	130
Christiania Bk	15.70	15.40	15.70	15.40
Den norske Bk	19.60	19.40	19.50	19.50
SAS Norge ASA	74	72	73	74
Dyno Indust	142	142	142	144
Elkem	92	90	92	92.50
Hafslund A	49	48	48	49
Kvaerner	286	282	285	286
Leif Hoegh	116	111	116	117
Norsk Hydro	317.50	309.50	310.50	316
Norske Skog A	201	198	200	200
Orkla	343	335	339	343
Rieber B	N.T.	N.T.	N.T.	140
Saga Petm B	91	89.50	89.50	90
Schibsted	83	82.50	82.50	84
UniStorebr A	31.50	31.20	31.40	31.50

Paris — CAC-40: 2079.06; Previous: 2098.79

	High	Low	Close	Prev.
Accor	694	688	691	694
AGF	137.50	135.50	136.80	137.20
Air Liquide	898	884	892	895
Alcatel Alsth	448	441.20	444	451
Axa	277	272	276.30	275.60
Bancaire	570	542	546	575
BNP	178.50	176	176.60	179.90
Bouygues	570	560	564	586
Canal Plus	1227	1197	1203	1219
Carrefour	2745	2695	2718	2752
CCF	235	230.70	235	233
Credit Local Fr	427.50	410	423.80	414.20
Credit Lyon PC	127.40	122.50	127.40	126.50
Crown Cork Seal	225	225	225	225
Danone	794	783	790	798
Elf-Aquitaine	377	373.50	375.50	379.10
Eridania BS	780	765	772	782
Euro Disney	13.70	13.50	13.55	13.55
Eurotunnel uts	7.80	7.60	7.75	7.80
Gen. Eaux	550	541	546	551
Havas	390.10	378.50	384.20	391.90
Lafarge Cop	319.70	313.60	317	321.80
Legrand	885	855	864	884
L'Oreal	1610	1586	1594	1616
LVMH	1231	1218	1230	1232
Lyon. Eaux	493.90	486	491.70	495.10
Michelin B	247.70	245.70	247.50	247.30
Navig Mixte	756	756	756	756
Paribas A	297.90	295	296.40	299.70
Pechiney SA	210.90	209	209.20	210.50
Pernod Ricard	335	330	334.50	334.20
Peugeot Cit	656	646	654	665
Pinault-Print	1730	1699	1714	1729
Promodes	1456	1426	1455	1468
Renault	128	125.80	127.10	127.80
Rh-Poulenc A	133.40	131.10	132	133.60
Roussel-Uclaf	1228	1210	1215	1224
Sanofi	384.80	372.40	373.10	383.60
Schneider	254.40	248	249.60	254.50
Ste Generale	549	530	537	551
St Gobain	684	666	684	680
St Louis	1325	1310	1316	1315
Suez	185.70	181	182	185.90
Thomson CSF	145.70	143	144	145.20
Total B	373.60	371	372.90	374.50
UAP	106.80	103.60	105.90	107.10
Valeo	282	278	282	282.50

São Paulo — Bovespa Index: 63290.80; Previous: 62864.60

	High	Low	Close	Prev.
Bco Brasil Pfd	9.00	8.85	8.90	8.80
Banespa Pfd	3.70	3.70	3.70	3.75
Bradesco Pfd	8.45	8.30	8.30	8.40
Brahma Pfd	620.00	615.00	620.00	620.01
Cemig Pfd	27.60	27.50	27.50	27.70
CESP Pfd	31.50	31.50	31.50	31.60
Eletrobras B	278.00	275.00	275.00	279.00
Itaubanco Pfd	425.00	420.00	425.00	426.00
Light	270.00	270.00	270.00	270.00
Paranapan Pfd	7.90	7.70	7.90	7.89
Petrobras Pfd	131.50	129.00	131.50	131.00
Sid Nacional	25.60	25.60	25.60	25.70
Souza Cruz	8.45	8.45	8.45	8.55
Telebras Pfd	75.10	73.00	74.90	74.50
Telesp Pfd	219.00	216.00	217.00	216.00
Usiminas Pfd	1.11	1.08	1.11	1.11
CVRD Pfd	20.20	19.90	20.15	20.10

Seoul — Composite Index: 847.99; Previous: 845.12

	High	Low	Close	Prev.
Daewoo Heavy	6990	6750	6750	6850
Hyundai Eng	35600	34800	34900	35300
Hyundai Motor	31000	30400	30700	30600
Korea El Pwr	28700	28300	28500	28300
Korea Mob Tel	710000	688000	705000	688000
LG Electronics	18100	17600	17600	17800
Pohang Iron St	51100	50200	50500	51000
Samsung Elec	72700	70800	70900	71300
Samsung Hvy	13300	12700	12700	12900
Yukong	24000	23300	23700	24000

Singapore — Straits Times: 2221.31; Previous: 2258.96

	High	Low	Close	Prev.
Cerebos Pac	12.20	11.90	12.20	12.20
City Devts	10.80	10.50	10.60	10.80
Cycle Carriage	14.50	14.10	14.20	14.70
Dairy Farm Intl *	0.87	0.83	0.87	0.86
DBS	9.45	9.45	9.45	9.55
DBS Land	4.76	4.72	4.72	4.78
Fraser & Neave	14.50	14.20	14.30	14.70
HK Land *	2.26	2.21	2.22	2.29
Hong Leong Fin	3.92	3.92	3.92	3.90
Jard Matheson *	6.95	6.75	6.90	7
Jard Strategic *	3.16	3.12	3.16	3.20
Keppel	11.70	11.50	11.60	11.80
Natsteel	2.73	2.71	2.72	2.75
Neptune Orient	1.42	1.40	1.41	1.42
OCBC foreign	16.90	16.30	16.50	16.90
O'Sea Union Bk	6.75	6.75	6.75	6.80
Sembawang	6.45	6.30	6.30	6.45
Sing Airlines F	14.90	14.60	14.90	14.90
Sing Petm	1.74	1.73	1.73	1.74
Sing Press F	27.40	27	27	27.60
ST Auto F	2.85	2.85	2.85	2.90
ST Ship	2.36	2.33	2.34	2.37
Sing Telecomm	3.60	3.46	3.50	3.66
Straits Steam	4.72	4.68	4.68	4.74
Utd Industrial	1.42	1.39	1.40	1.46
Utd O'Sea Bk F	13.30	13	13.30	13.40
Wing Tai Hdgs	2.99	2.96	2.97	2.99

*: In U.S. dollars.

Stockholm — SX 16 Index: 2036.28; Previous: 2033.53

	High	Low	Close	Prev.
AGA BF	114	112	112.50	114
ABB AF	706	695	704	706
AssiDoman F	154	152	153.50	153
Astra AF	280.50	274	280	274.50
Atlas Copco AF	126.50	124.50	126.50	126
Avesta F	60.50	59.50	59.50	59.50
Electrolux BF	338	330	335	339
Ericsson BF	145	142.50	143	143.50
Hennes BF	630	620	628	626
Incentive AF	357	350	357	360
Investor BF	245	238	242	242
Kinnevik BF	198.50	197.50	198	199.50
MoDo BF	170	168	170	169.50
Sandvik BF	152	150	151.50	150.50
SCA BF	140	138.50	139.50	140
S-E Banken AF	54	53	54	54.50
Skandia Fors F	167.50	166	167	169
Skanska BF	234.50	231	233	234
SKF BF	155.50	153.50	155.50	157
SSAB BF	85.50	85	85	85
Stora AF	88	85.50	86	87
Sv Handles AF	137	135	135	138
Sydkraft AF	145	145	145	145
Trelleborg BF	85	83	84.50	83
Volvo BF	150	145	150	148.50

Sydney — All Ordinaries: 2191.20; Previous: 2230.80

	High	Low	Close	Prev.
Amcor	8.66	8.51	8.52	8.69
ANZ Bkng	6.06	5.95	6.02	6.14
BHP	17.12	16.98	17.03	17.25
Boral	3.25	3.19	3.20	3.29
Brambles Ind.	17.17	17.08	17.08	17.43
Burns Philp	2.25	2.16	2.16	2.25
CBA	10.21	10.12	10.14	10.35
CC Amatil	14.30	14.20	14.25	14.45
Coles Myer	4.50	4.45	4.48	4.52
Comalco	7.21	7.06	7.07	7.31
CRA Ltd	18.72	18.58	18.60	18.95
CSR	4.35	4.31	4.29	4.38
Fosters Brew	2.19	2.17	2.18	2.22
GIO Australia	3.06	3.04	3.06	3.10
Goodman Fld	1.29	1.26	1.27	1.29
ICI Australia	10.80	10.70	10.73	10.95
John Fairfax	2.68	2.64	2.64	2.72
Lend Lease	19.67	19.40	19.60	19.70
Mayne Nickless	7.35	7.32	7.30	7.44
MIM Hdgs	1.59	1.56	1.59	1.58
Natl Aust Bank	11.68	11.52	11.56	11.75
News Corp	7.37	7.23	7.25	7.45
North Ltd	3.63	3.61	3.62	3.69
Pacific Dunlop	2.85	2.78	2.79	2.90
Pioneer Intl	3.72	3.66	3.68	3.75
Placer Pacific	1.73	1.70	1.72	1.73
Santos	4.50	4.40	4.50	4.46
Southcorp	3.05	3.04	3	3.07
Westfarmers	7.50	7.40	7.41	7.55
Wstrn Mining	8.54	8.46	8.54	8.65
Westfield Trt	2.33	2.33	2.32	2.34
Westpac Bkng	5.58	5.50	5.52	5.64
Woodside Pet	7.68	7.63	7.66	7.70
Woolworths	2.98	2.91	2.92	3.01

Taipei — Stock Market Index: 6327.46; Previous: 6441.02

	High	Low	Close	Prev.
Asia Cement	52	50	51	52
Cathay Life Ins	196	192	192	196
Chang Hwa Bk	159	153	154	158
China Steel	27.80	27.10	27.30	27.80
China Trust	60	58	58.50	59
Evergreen	53	51	52	53
Far East Text	29.60	29	29.20	29.60
First Bank	158	153	153	157
Formosa CF	35.80	34.50	35.40	35.30
Hua Nan Bk	143	139	139.50	142.50
Hualon Teijran	24.90	24.30	24.40	24.70
ICBC	94.50	91.50	92	94
President Ent	48.80	47.40	47.90	47.80
Taiwan Cmnt	60	58.50	59.50	60
Tatung	64	62.50	62.50	63.50

Tokyo — Nikkei 225: 21924.94; Previous: 22232.48

	High	Low	Close	Prev.
Ajinomoto	1260	1240	1250	1270
All Nippon Air	1160	1130	1140	1160
Asahi Bank	1270	1250	1250	1270
Asahi Chem	771	764	769	774
Asahi Glass	1300	1280	1290	1300
Bk Tokyo Mitsu	2450	2430	2430	2470
Bk Yokohama	970	956	970	966
Bridgestone	2090	2050	2060	2090
Canon	2290	2270	2280	2300
Chiba Bank	928	919	927	948
Chubu Elec	2430	2410	2420	2450
Chugoku Elec	2400	2380	2400	2410
Daiei	1270	1240	1250	1280
Daiichi Kang	1960	1940	1960	1980
Daiwa Bank	735	725	725	741
Daiwa House	1690	1680	1680	1700
Daiwa Sec	1370	1340	1350	1380
Fanuc	4240	4210	4230	4260
Fuji Bank	2290	2270	2290	2310
Fuji Photo	3410	3350	3360	3470
Fujitsu	996	985	987	1000
Hitachi	1040	1020	1030	1050
Honda Motor	2750	2710	2730	2780
IBJ	2620	2600	2610	2630
IHI	529	520	528	532
Itochu	760	752	752	765
Ito-Yokado	6670	6610	6650	6750
JAL	864	857	857	865
Jusco	3690	3660	3680	3690
Kajima	1080	1060	1070	1080
Kansai Elec	2470	2440	2450	2500
Kao	1430	1420	1430	1440
Kawa Steel	387	381	381	389
KDD	11100	10700	11100	11100
Kinki Nipp Ry	785	780	781	786
Kirin Brewery	1330	1320	1320	1330
Kobe Steel	302	298	302	302
Komatsu	1070	1050	1050	1070
Kubota	716	702	709	718
Kyocera	7560	7520	7520	7590
Kyushu Elec	2440	2420	2420	2440
LTCB	829	810	828	834
Marubeni	602	587	590	597
Marui	2370	2280	2310	2380
Matsu Elec Ind	1990	1960	1980	2000
Matsu Elec Wk	1170	1160	1170	1170
Mitsubishi	1460	1440	1440	1470
Mitsubishi Ch	523	517	517	525
Mitsubishi El	753	742	745	759
Mitsubishi Est	1510	1480	1500	1520
Mitsubishi Hvy	952	942	945	955
Mitsubishi Mat	958	950	950	959
Mitsubishi Tr	1840	1810	1830	1840
Mitsui	987	976	980	988
Mitsui Fudosn	1460	1440	1450	1470
Mitsui Trust	1270	1240	1240	1280
Murata Mfg	3910	3840	3910	3870
NEC	1200	1180	1190	1200
New Oji Paper	952	948	951	957
Nikko Sec	1190	1160	1170	1180
Nintendo	8100	7930	7940	8120
Nipp Credit Bk	410	405	410	413
Nipp Express	1040	1020	1030	1040
Nippon Oil	719	709	714	717
Nippon Paper	693	680	686	700
Nippon Steel	362	357	362	366
Nippon Yusen	623	616	616	623
Nippondenso	2330	2290	2320	2340
Nissan Motor	949	929	940	959
NKK	326	321	322	328
Nomura Sec	2080	2060	2070	2100
NTT	8000a	7920a	7960a	8030a
Obayashi	986	972	986	988
Odakyu El Ry	722	715	715	723
Ono Pharm	3750	3680	3740	3760
Osaka Gas	391	384	387	393
Ricoh	1150	1130	1140	1150
Sakura Bk	1180	1160	1170	1180
Sankyo	2750	2710	2740	2780
Sanwa Bank	1990	1950	1960	2000
Sanyo Elec	649	642	644	653
Secom	7090	7030	7060	7100
Seibu Rwy	5720	5630	5630	5750
Sekisui House	1260	1240	1240	1270
Seven-Eleven	7030	6960	6960	7030
Sharp	1860	1830	1830	1880
Shimizu	1170	1150	1160	1170
Shin-etsu Ch	2060	2050	2060	2070
Shizuoka Bk	1380	1350	1350	1390
Sony	7140	7080	7120	7180
Sumitomo	973	954	969	990
Sumitomo Bk	2090	2060	2070	2090
Sumit Chem	521	515	520	528
Sumitomo Elec	1540	1520	1530	1550
Sumit Metal	325	317	320	329
Sumit Trust	1480	1460	1480	1490
Taisei	759	746	750	765
Taisho Pharm	2320	2280	2290	2330
Takeda Chem	1950	1930	1950	1950
TDK	6350	6300	6340	6430
Tohoku El Pwr	2430	2400	2410	2430
Tokai Bank	1420	1400	1410	1420
Tokio Marine	1430	1390	1400	1430
Tokyo El Pwr	2730	2700	2720	2740
Tokyo Gas	389	380	381	391
Tokyu	804	792	795	818
Tonen	1550	1530	1530	1560
Toppan Print	1570	1550	1570	1590
Toray Ind	750	735	745	762
Toshiba	764	757	760	765
Toyo Seikan	3760	3670	3710	3750
Toyo Trust	1100	1080	1080	1110
Toyota Motor	2720	2670	2680	2710
Yamaichi Sec	728	720	725	734
Yamanouchi	2280	2240	2270	2290
Yasuda Fire	805	796	801	813
Yasuda Trust	675	667	675	677

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Toronto — TSE Industrials: 5058.86; Previous: 5062.79

	High	Low	Close	Prev.
Abitibi Price	18.60	18.30	18.30	18½
Air Canada	4.55	4½	4½	4.55
Alberta Energy	25½	25.40	25.45	25.55
Alcan Alum	41.40	41	41.30	41
Avenor A	22.35	22.30	22.30	22.60
Bk Nova Scotia	32.70	32.60	32.65	32.80
Barrick Gold	39.10	38.70	38¾	38.85
BCE	54.70	54.30	54.70	54.35
BC Telecomm	26.60	26.45	26.60	26.55
Bombardier B	20.40	20.35	20.35	20.30
Brascan A	25.40	25.40	25.40	25½
Cameco	63.95	63.95	63.95	64
CIBC	44.15	43.90	44.05	44.15
Cdn Airlines	3	3	3	3.10
Cdn Natl Res	25.90	25.00	25.90	26
Cdn Occid Pet	22.80	22.80	22.80	22¾
Cdn Pacific	29.85	29.55	29.65	29.80
Cominco	29.05	29.05	29.05	29.30
Consumers Gas	21	21	21	21
Dofasco	20.35	20.15	20.35	20.35
Dohsam Ind B	9½	9½	9½	9½
Du Pont Cda A	31¼	31¼	31¼	31¼
Echo Bay Min	15.05	14.85	14.85	15.05
Empire Co. A	12¾	12¾	12¾	12¾
Falconbridge	29	28.70	28.95	29
Fletcher Chall A	18.60	18.60	18.60	18.60
Franco Nevada	87½	86.90	87	87
Guardian Cap A	N.T.	N.T.	N.T.	9
Hemlo Gold	15½	15.30	15.30	15¼
Horsham	19.60	19.40	19.40	19½
Imperial Oil	57.90	57½	57.90	57.60
Inco	43¾	43.55	43.65	43¾
IPL Energy	35.05	34.90	34.95	34.95
Laidlaw A	13.50	13.50	13.50	13.60
Laidlaw B	13.60	13½	13.55	13.60
Loewen Group	40.90	40	40½	41
Lon Insur Gp	29.10	29.10	29.10	29
Macmill Bldl	17.80	17.70	17.70	17¾
Magna Intl A	64.40	63¾	63¾	63¾
Maple Leaf Fds	7.15	7.05	7.15	7.15
Moore	25.90	25½	25.90	25½
Newbridge Net	88½	87½	87¼	88½
Noranda Inc	27.05	26.95	27	27.10
Noranda Forest	8.95	8.95	8.95	8.95
Norcen Energy	23.85	23¾	23.85	23.80
Nthern Telecom	74½	74¼	74½	74.65
Nova	12.55	12½	12.55	12.55
Onex	14.30	14.30	14.30	14.55
Placer Dome	34½	34	34	34.40
Potash Sask	91½	89.60	91	89.60
Provigo	7.30	7.10	7.30	7.25
Quebecor Print	21.70	21.45	21.45	21.60
Renaissance	37¼	37¼	37¼	37¼
Rio Algom	26.45	26	26.45	26
Seagram Co	45.55	45.15	45.35	45½
Stone Consold	16.35	16.35	16.35	16.45
Talisman Eny	32.90	32¾	32¾	32.90
Teleglobe	22½	21.85	22.30	21.85
Telus	18.60	18.55	18.60	18.60
Thomson	21.40	21.05	21.40	21.35
TorDom Bank	23.90	23¾	23.80	23.95
TransAlta	14.90	14.80	14.90	14.90
TransCda Pipe	20½	20½	20.70	20.55
Utd Dominion	32.90	32.60	32.60	32.90
Westburn	9¾	9¾	9¾	9.90
Westcoast Eny	20.90	20.80	20.90	20.90
Weston	46¾	46¾	46¾	47¼

Vienna — ATX Index: 1076.72; Previous: 1086.21

	High	Low	Close	Prev.
Aust Airlines	1659	1659	1659	1650
Brau-Un Goess	674	665	670	679
Bund Vers Pfd	405	405	405	406
Creditanst PC	1425	1425	1490	1490
EA-Generali	3050	3010	3050	3050
EVN	1453	1445.50	1448	1467
Interunfall	1573	1573	1573	1574
Lenzing	660	658	660	671
Leykam	307	301	303	310
Mayr-Melnhof	470	465	470	468
OMV	1084	1066	1077.50	1089.90
Oest Brau	621	619	620	625
Oest Elektriz	804.50	800	803	808
VA Tech	1345	1318	1345	1339
Wienerberger	2100	2085	2098	2115

Wellington — NZSE-40 Index: 2097.32; Previous: 2120.41

	High	Low	Close	Prev.
Air N Zeald B	3.15	3.14	3.14	3.14
Brierly Invt	1.38	1.37	1.37	1.39
Carter Holt ord	3.40	3.37	3.39	3.43
Fernz	4.34	4.31	4.34	4.34
Fisher Paykel	4.61	4.60	4.60	4.70
FC Forest	1.73	1.70	1.71	1.71
Goodman Fder	1.46	1.46	1.46	1.47
Indep News	5.15	5.15	5.15	5.15
Lion Nathan	3.85	3.82	3.85	3.86
Natl Gas note	1.96	1.95	1.96	1.96
NZ Refining	26.00	25.80	26.00	25.70
Telecom NZ	6.19	6.15	6.15	6.26
Wilson Horton	9.60	9.60	9.60	9.65

Zurich — SPI Index: 2404.34; Previous: 2406.49

	High	Low	Close	Prev.
Adia B	301	296	300	302
Alusuisse R	1026	1013	1023	1024
Ares-Serono B	1060	1050	1060	1060
Baloise Hdg R	2670	2620	2660	2700
ABB B	1538	1523	1530	1531
BK Vision	1530	1510	1530	1532
Bobst B	1800	1800	1800	1825
Ciba Geigy R	1500	1478	1495	1500
CS Holdings R	129	126.50	129	129
Elektrowatt B	466	460	463	468
Fischer B	1420	1400	1410	1415
Hilti PC	925	915	925	925
Holderbank B	950	937	944	950
Jul. Baer Hdg B	1315	1305	1310	1320
Merkur Hdg R	254	249	253	252
Nestle R	1478	1440	1472	1459
Oerlikon R	128	126	127	127.50
Pargesa Hld B	1453	1450	1453	1453
PharmaVisn B	5950	5860	5920	5930
Pirelli B	164	164	165	165
Roche Hdg PC	9480	9360	9470	9470
Sandoz R	1405	1380	1400	1407
SBC R	245	243	243.50	246
Schindler B	1310	1280	1310	1300
SGS B	2930	2900	2900	2930
SMH B	857	842	855	845
Sulzer R	795	786	790	795
Swiss Reinsur R	1239	1220	1230	1242
Swissair R	1182	1170	1182	1184
UBS B	1253	1222	1252	1241
Winterthur R	778	766	776	776
Zurich Assur R	340	336	337	342

NYSE

Monday's 4 p.m. Close
Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

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Continued on Page 18

Japan's Surplus Slips Again, but Yen Threatens Trend

Compiled by Our Staff From Dispatches

TOKYO — Japan's overall trade surplus showed its ninth consecutive decline, slipping 46 percent in May, the government announced Monday, but economists said the weakening of the yen may soon *bring the trend to a halt.*

A Finance Ministry official, Tadashi Ogawa, said the decline in the surplus reflected a structural change in Japan's economy and was "not a temporary phenomenon."

Another official, Tomio Tsutsumi, said the jump in imports reflected a basic changes in the economy that could even push Japan into a trade deficit.

"I don't think Japan would be a country with a current-account deficit in the near future," he said, but the ministry is "carrying out trade policies with that fear in mind."

Economists, however, said that just as the yen's rise against the dollar in the early 1990s caused Japanese companies to shift production to lower-cost locations abroad and contributed to Japan's increase in imports, the weakening of the currency since its peak in April 1995 may be *slowing that trend down.*

The Finance Ministry said the surplus in the current account, the broadest measure of trade in goods and services, came to 361.2 billion yen ($3.26 billion) in May.

The surplus in merchandise trade *alone fell for the 18th* consecutive month, to 447 billion yen, a decline of 41 percent from May 1995.

Imports of computers and other office equipment surged 75 percent from a year earlier, while those of microchip parts and automobiles gained 50 percent.

"The numbers show that there is a displacement of production in Japan by imports and a shift of production overseas," said Mineko Sasaki-Smith, an economist at CS First Boston.

While Japanese consumers have been snapping up increasing quantities of imports in recent months, the falling yen has been making Japan's goods less expensive abroad, paving the way for a resurgence in exports.

Economists also said the strong U.S. economy and the halting nature of Japan's economic recovery might complicate matters by discouraging Japanese consumers while Americans keep up their purchases of imported goods.

"On a seasonally adjusted basis, there are already signs that the continuous fall of the current account surplus has stopped on a month-to-month basis," said Soichi Okuda, *senior economist at NCB research* Institute.

Mr. Okuda said, "We will probably start seeing a slowing down in the decline of the surplus on a year-to-year basis later this year, and it may resume rising next year."

(Reuters, AFX)

Asia Stocks Follow U.S. In Tumbling

Reuters

HONG KONG — Asian stock markets tumbled Monday in reaction to Friday's sharp declines in U.S. securities markets that came after strong employment data prompted fears the Federal Reserve Board may raise U.S. interest rates soon.

Hong Kong stocks were hit the hardest in Asia. The Hang Seng index dropped 287.05 points, or 2.6 percent, to 10,890.05. In Singapore, Sydney, Tokyo, Bangkok and Manila, stocks dropped more than 1 percent. Kuala Lumpur and Taipei saw smaller drops.

Ray Ferris, a market strategist at Crosby Securities Ltd. in Hong Kong, said Asian markets could face a month of volatility until the U.S. Federal Reserve's policy-making arm met in early August, although the central bank could decide to raise rates before then.

He said Indian and South Korean shares might do well, however, because their markets are less sensitive to U.S. interest-rate moves.

A Question of Resources

More Japanese Women Hold to Career Track

Bloomberg Business News

TOKYO — When Fusako Utsumi had a child in the early 1970s, she did something unusual in Japan: After 14 weeks of leave, she returned to her technician's job at NEC Corp.

Two decades later, as a top personnel manager at the computer maker, she rewrote the rules to lengthen leaves to one year for men and women who needed to care for a newborn or an elderly parent. NEC is one of the first Japanese companies to do this. More than 600 *people have taken the yearlong leave in the past six* years, most of them women.

As they move into senior management, women like Ms. Utsumi, 47, are changing the way Japan Inc. works. Even through five years of an ailing economy and unprecedented white-collar layoffs, the proportion of Japanese companies that have women in senior management positions doubled in the past three years to 14 percent, according to the Ministry of Labor.

Yet progress remains slow in conservative Japan, where many men still say women should work only until they have children. Women make up just 1.5 percent of senior managers these days, and only 7.3 percent of managers at lower levels.

In the struggle for equality, "we're about midway," said Mariko Bando, who worked her way up through the bureaucracy to become deputy governor of Saitama prefecture.

Attitudes are changing, as more women want to work and more men accept them. But some of the change is coming because of necessity: Women in Japan represent a large, well-educated pool of workers who remain mostly underutilized in Japanese corporations, and many companies can no longer afford to ignore them.

NEC changed its leave policy, for instance, and began allowing women to keep their maiden names *after marriage because it wanted to retain women* who were skilled computer programmers.

"Starting in 1981, the company hired a lot of female software designers," Ms. Utsumi said. "By the time I became a personnel manager, those women had begun to quit to start families. The company asked me to help."

In addition, more women are seeking promotions in their companies. A survey for the Ministry of Labor last year found that more than 60 percent of women at major companies wanted to be promoted, compared with about 30 percent in 1990. Meanwhile, a Gallup Poll this spring found that about 80 percent of the Japanese people believed men and women should have equal opportunities at work.

Although Japan's Equal Employment Opportunity Law was passed 10 years ago, companies can still discriminate openly against women in hiring and promotion. Companies routinely set quotas for male and female hires and separate job interviews as a prelude to putting them on different career tracks.

Still, by 1992 — two years after NEC changed its leave policy — Parliament had passed a law requiring companies to offer a year of unpaid leave for child care. In 1999, companies will have to allow employees leave to look after elderly parents, too.

That is not the only difference. The nature of work in Japan is changing. As its mighty manufacturers transform themselves, more opportunities have opened up for women. With Japan shifting factories offshore and trying to expand its underdeveloped information businesses at home, it needs all the well-educated workers it can get.

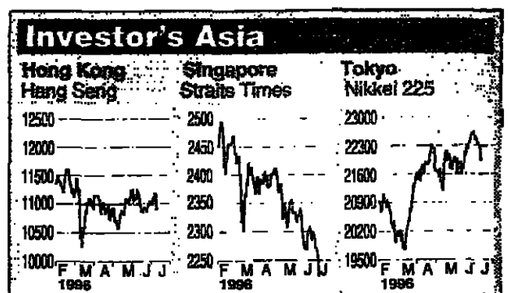
Still, the recession years have been bad for some women. Japan's unemployment rate reached a post-World War II high of 3.5 percent in May. Although joblessness among men rose to a record 3.6 percent while the rate for women fell to 3.4 percent, unemployment among women aged 15 to 24 was 7.4 percent, more than double the overall average.

Discrimination and hard times also have forced many women onto the dead-end track of part-time and temporary work.

Educated women — especially at companies willing to make concessions such as child care — should have more chances as the recovery lumbers on and the job market improves, said Yoshio Higuchi, a labor economist at Keio University.

Benesse Corp., which markets correspondence courses, has made such concessions. It provides parents with child-care leave of a year or more and has opened a nursery. It also started something it calls "super-flex time," under which employees can work different hours every day to accommodate family needs, as long as they meet a monthly quota of 140 hours. For Yukari Sakuma, 31, a project planner, that has made all the difference. "When I started this job nine years ago, I never imagined I could have a child and keep on working," she said.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,890.05	11,177.10	-2.57
Singapore	Straits Times	2,221.31	2,258.98	-1.67
Sydney	All Ordinaries	2,191.20	2,230.80	-1.78
Tokyo	Nikkei 225	21,924.94	22232.42	-1.38
Kuala Lumpur	Composite	1,129.37	1,133.18	-0.34
Bangkok	SET	1,241.27	1,257.99	-1.33
Seoul	Composite Index	847.99	850.39	-0.28
Taipei	Stock Market Index	6,327.48	6,380.75	-0.83
Manila	PSE	3,320.16	3,374.40	-1.61
Jakarta	Composite Index	573.83	575.05	-0.21
Wellington	NZSE-40	2,097.52	2,120.41	-1.08
Bombay	Sensitive Index	3,730.72	3,707.01	+0.64

Source: Telekurs International Herald Tribune

Very briefly:

- **Shanghai Lujiazui Finance & Trade Zone Development Co.**'s net profit rose 98 percent, to 549 million yuan ($66.1 million), in the first six months of 1996.
- **Torrent Investment** and **Torrent Leasing & Finance** of India plan to increase their stake in **Surat Electricity Co.** through a private share purchase in September.
- **Japan** and the **European Union** reached an "understanding" Monday on how to proceed in international policy on semiconductors, a European Commission spokesman said.
- **Acer Inc.**'s sales rose only 0.5 percent in June from a year earlier, to 4.36 billion Taiwan dollars ($158.2 million), amid slack demand.
- **Taiwan**'s Securities and Exchange Commission agreed with the U.S. Commodities and Futures Trading Commission and Securities Trading Commission to cooperate in information exchange and risk management.
- **Insufficient information** on Asian regulations has impeded investment by European Union members in Asia, Krirk-krai Jirapaet, director-general of the Thai Commerce Ministry's Business Economics Department, said.
- **The Asia-Pacific Economic Cooperation forum** meeting, to be held in the Philippines in November, is expected to cost the country 387 million pesos ($14.7 million).
- **Japan** will launch a formal program Oct. 1 to recover bad debts left by the seven insolvent "jusen" housing-loan companies, Jiji Press said, quoting informed sources.
- **Singapore Telecom International** will sell its 50 percent stake in **Yorkshire Cable Group** to **General Cable PLC** for about £160 million ($248 million). General Cable will own 100 percent of Yorkshire.
- **North Korea** will offer trans-shipment facilities for a South Korean company this month for the first time by taking steel by train to China, the company, **Hanbo Steel Co.**, said.

Bloomberg, Reuters, AFX, AP, AFP

Sumitomo to Air Japan's Shows in Asia

Bloomberg Business News

TOKYO — Sumitomo Corp. said *Monday it would begin satellite* broadcasting of Japanese television programs to other parts of Asia in January through its venture with Tele-Communications Inc. of the United States.

Jupiter Programming Co., a venture set up in March by Sumitomo and Tele-Communications, will join forces with Japan's largest *broadcaster, Tokyo Broadcasting* System Inc., to establish Japan Entertainment Television Inc.

Japan Entertainment plans to broadcast from Singapore to viewers in that country as well as Taiwan, Hong Kong, Thailand, the Philippines, Malaysia, Indonesia, Australia, New Zealand and China. The programs will not be broadcast in *Japan itself.*

A Sumitomo spokesman said the new station was not aiming to compete with STAR Television Ltd., which has been focusing its Japanese-language efforts in Japan. But STAR has not ruled out expanding its programs elsewhere in Asia.

GM Unit Gets Japan Outlets

Reuters

TOKYO — General Motors Corp.'s Saturn subsidiary said Monday it had signed an agreement with six Japanese companies to start selling right-hand-drive cars in Japan *in the spring.*

The six companies are JR East Car Sales Corp., Nagoya Daihatsu, Nissan Sunny Okayama Hanbai, Hanaten, Honda Clio Mie-Kita and Yanase & Co.

Saturn Japan said it planned to open 10 to 15 retail outlets in Japan by next spring. The cars will be made at a plant in Spring Hill, Tennessee, and will be the first GM cars sold in Japan with right-hand drive.

Saturn Japan said it was negotiating with more than 30 other independent companies interested in becoming Saturn dealers and said it expected the number of outlets to rise to almost 20 by the end of 1997.

"The high-quality product and *services and unique marketing tech*niques such as exclusive market areas assigned to single retailers will make the Saturn competitive in the Japanese market," said Takahide Inayama, president of Yanase.

Toyota started selling GM's Cavalier cars in Japan in January. It set an annual target of 20,000 but had sold only 5,154 by June. Chrysler Corp., which began selling the Neon in Japan on June 15, with a target of 4,000 for 1996, had sold 198 by June 30.

Malaysian Telecom Sector Rattled by Overcrowding

Reuters

KUALA LUMPUR — Analysts have turned bearish on the Malaysian telecommunications sector amid worries over stiff competition after the government last week reversed its stand on reducing industry overcrowding.

An announcement over the weekend on an alliance between Time Engineering Bhd. and Sapura Holdings also cast a pall on the sector as it pointed to a potentially bruising battle among big industry players, some analysts said Monday.

The government, in a reversal of its stand, last week announced that it would not require industry mergers as a means of reducing the number of companies offering fixed-line services to three from six.

The six are Telekom Malaysia Bhd., Binariang Sdn., Cellular Communications Network, Mutiara Telecommunications Sdn., Time Engineering and Syarikat Telefon Wireless Sdn.

The announcement will compel companies to compete for market share on price that could trim their profits, analysts said.

"Everyone knows that it's overcrowded to have six players," said Phua Lee Kerk, an analyst at Vickers Ballas Research. "They will try to survive, but in the process they will hurt each other."

The government in recent years handed out a large number of telecommunications licenses in its bid to privatize services. The key licenses issued were for fixed-line services, international gateway and cellular networks.

Worried about millions of dollars wasted on infrastructure duplication, the government last year began to try to cut the number of full-service operators to three.

But the nine license holders said the government had no right to retract the licenses and that they had already spent money to build infrastructure.

The government's about-face last week was therefore welcomed by the operators. But industry analysts said Malaysia's population of 20 million was too small to support so many operators.

"It's negative for Telekom," said Soon Teck Onn, an analyst at ING-Barings Research. "Even for the whole sector we are not that positive anymore."

Telekom, the industry leader, is expected to see its market share eroded, especially by the emergence of the Time-Sapura alliance, analysts said.

Time and Sapura plan to swap shares in a 1.2 billion ringgit ($480 million) deal that will allow the two to have licenses in the three key areas of fixed-line services, *international calls and a cellular* network.

Telekom's other major competitors are Binariang and Cellular Communications. Binariang has a rapidly growing cellular service and licenses to offer international calls and satellite services. Celcom has one international gateway license and another to install a fiber-optic network.

GAMES: *Telecom Networks Shoot the Moon at Atlanta Olympics*

Continued from Page 13

will be on public display. Olympic sponsors, including International Business Machines Corp., BellSouth Corp., SMH Swiss, Scientific-Atlanta Inc., Eastman Kodak Co., Xerox Corp., AT&T Corp., Motorola Inc. and Panasonic, have both prestige and earnings riding on their Olympics performances.

Can timing and scoring devices from Swatch keep pace with athletes, measuring the millimeters and microseconds that separate elation and despair? Can Panasonic's giant scoreboard remain readable in the Atlanta sun? Can Sensormatic Electronics keep the athletes and dignitaries out of harm's way?

Failures in any of these systems will be highly visible — there have been minor technological glitches in previous Olympics, but this level and scale of technology have never been attempted before — and there will be a large audience of potential customers scoring the performance of the technological infrastructure of the Games. They will be wondering whether IBM's OS/2 operating system is robust enough to handle the demands of thousands of users on 300 local area networks. Can BellSouth's Sonet fiber-optic ring carry all the video and data traffic in and out of Atlanta without interruptions?

Each sponsor company is investing $20 million to $40 million or more for the chance to be tested. Many of the companies decline to talk about the business aspects of sponsorship, preferring to stress goodwill and global harmony. Others are more candid. "We've invested $20 million in the Games, and we've already received more than $27 million in future orders as a direct result," said a spokesman for Sensormatic, the key supplier of security systems for the Games.

No company wanted to talk about the possibility of an embarrassing failure. For the past five years, Mr. Neal has worked toward this event with one goal: no mistakes.

Mr. Neal and his army of technical specialists have spent an estimated 750 people-years of effort to find the right balance of reliable and audacious technologies to ensure the success of the 17-day event. The greatest challenge has been to integrate a wide array of computer *and communications technologies to* work together seamlessly, and internationally, often without the benefit of live trials, and without disrupting the existing technological infrastructure of Atlanta.

RUBLE: *Russia Faces Bumpy Economic Ride, Analysts Forecast*

Continued from Page 13

from the IMF that depends on monthly economic checkups, and Mr. Yasin said the country would "adhere to the agreement we have with the IMF."

Mr. Yasin said, "We have managed to cope with the IMF program, and we do intend to stick with it."

He added that Russia would like to negotiate some unspecified changes that could make the IMF's structural reforms more effective.

Mr. Yasin said he expected Mr. Yeltsin's victory to encourage foreign investment. "The flow of foreign investment will increase two- or threefold by the end of next year," he predicted, adding that it would take several years of political and economic stability before Russia began to get the investment it needed. "The elections on July 3 were a serious step forward," he said.

Russia's central bank governor, Sergei Dubinin, said that with the threat of a Communist victory removed, "we are now able to perceive the economy in purely economic terms."

Mr. Dubinin said he expected that much of the flight capital that Russian citizens had shipped out of the country in recent years — which he estimated at $30 billion to $45 billion — would return to lead an investment charge.

Mr. Yasin said Russia would place an emphasis on what he called "noninflationary investment," meaning the country would increase efforts to raise capital from non-Russian sources.

But some Russia-watchers wonder whether the choice is up to them. Marshall Goldman, a Harvard University Russia scholar, warned that the biggest roadblocks to reform may come from people already inside the Kremlin, particularly retired General Alexander I. Lebed and Prime Minister Viktor S. Chernomyrdin.

Mr. Lebed has said he wants to curb the economic groups that control much of Russia's wealth and natural resources. Mr. Chernomyrdin is the former chief of perhaps the biggest of these groups, the natural gas monopoly Gazprom.

"Neither wants to yield to the other," Mr. Goldman said. With questions about his health, Mr. Yeltsin's own grasp on power is uncertain. One of Russia's biggest problems right now is its inability to collect taxes to meet its obligations. Mr. Yasin said he hoped to raise tax collection from about 9 percent of GDP to 12 percent or 13 percent by year-end.

"Watch the new tax program. If it's directed against the oil and gas companies, that's a sign that Lebed is on the rise," Mr. Goldman said.

Dmitri Ryurikov, a foreign affairs adviser to Mr. Yeltsin, downplayed Mr. Lebed's potential for disrupting economic reform. He said Mr. Lebed was "working very hard and trying to learn."

"Please do not draw conclusions that these are the views of the state, the president or the government," Mr. Ryurikov said. "These are only views Mr. Lebed might change as his education progresses."

The cost of corruption and bureaucracy could also derail reforms. Another worry is that Mr. Yeltsin's largesse during the campaign could upset Russia's fragile budgetary balance. Mr. Goldman *estimates the promises — from tax hol*idays to wage increases to new cathedrals — at $2 billion to $10 billion. But Peter Derby, the American-born president of Moscow's Dialog Bank, said few people in Russia expected Mr. Yeltsin to pay up.

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The Dragon Fund Class $ 93.10
Indosuez Pri. Fd Ser. 1 Cl. A $ 141.844
Indosuez Fd. Fd Ser. 2 Cl. C $ 108.369
Indosuez Com. Cl. A Units $ 120.650
Indosuez Japan Warrants $ 6.45
Indosuez High Yld Bd Fd A $ 98.09
Indosuez High Yld Bd Fd B $ 122.30
Indosuez Emerging Pfd $ 1022.50
Mod France FF 5080.00
Indosuez Latin America $ 7.67
Indosuez Asia Fund $ 10.46
Indosuez Eur $ Ht Co Fd DM 11.84

INDOSUEZ ASSET MGT ASIA LTD
ISA Asian Growth Fund $ 84.69
ISA Japan Growth Fd $ 871.00
ISA Pacific Gold Fund $ 20.75
ISA Asian Income Fund $ 11.21
Indosuez Asia Fund $ 11.26
Shanghai Fund $ 9.36
Hongkong Fund $ 14.97
Manila Fund $ 34.19
Malacca Fund $ 18.10
The Siam Fund $ 62.71
Indosuez Hong Kong Fund $ 27.480
Indosuez Sing & Malay Tst $ 46.655
Indosuez Pacific Tst HKS 37.8552
Indosuez Japan Fd $ 11.3256
Indosuez Multinational Tst $ 38.7949
Indosuez Asian Pfl-Asian A $ 17.15
Indosuez Asian Pfl-Indon B $ 17.15

INDOSUEZ CS ALLIANCE
(41)22 346-1281, Geneva
Pictet Europe Fund $ 142.87
Pictet Europe Equities Ecu 109.68
Pictet Asia Pacific Eq $ 132.46
Pictet Environment Eq $ 102.46
Pictet Dollar Bonds $ 115.51
Pictet ECU Bonds Ecu 125.89
Pictet FF Bonds FF 121.38
Pictet Intl Corp Bonds $ 101.25
Pictet Intl Short Term $ 111.14
Pictet ECU Reserve Ecu 112.70
Pictet SF Reserve FF 106.97
Pictet Yen Reserve ¥ 114.01

BARING INTL FD MNGRS (IRELAND) LTD (SIB RECOGNIZED) tFAX 82583
IFSX HSE,Custom Hse Docks,Dub,441716284000
Baring Emerging World Fd $ 8.875
Baring Global Resources $ 12.30
High Yield Bond $ 10.05
World Bond FFR FF 67.64

BARING INTL FD MNGRS (IRELAND) LTD (NON SIB RECOGNIZED) tFAX 82583
Australia $ 30.15
Japan Smaller Companies Fd $ 10.56
Japan Fund $ 21.15
Malaysia & Singapore $ 125.28
North America $ 38.13
Oceania Fund $ 43.05
Pacific Fund $ 114.09
International Bond $ 19.01
Europe Fund $ 21.97
Hong Kong $ 122.20
Tokyo Warrant $ 24.67
Global Emerging Mkts $ 12.15
Latin America $ 19.82
Currency Fund $ 17.90
Currency Fund Managed $ 54.96
Korea Fund $ 8.16

BEACON GLOBAL ADVISORS LTD
Gendai Cayn Ltd $ 5805.12
Compass Series H- Ltd $ 10368.84
Compass Series E- Ltd $ 4884.55
Compass Series S- Ltd $ 8945.84
Compass Series W- Ltd $ 5817.35

BELINVEST FUNDS
Belinvest -Multifond $ 1231.24

BERKSHIRE CM& ZURICH (41.1.396.3728)
E-MAIL :berkshire; berkshire@gromm.com
Article Bib-Medical Gen $ 8.15
Article Cap Gwth Fd Ltd $ 11.78
Article High Tech Growth $ 6.89+

BOWEN CAPITAL MGT
Stewart Asia Fund $ 11.7422
Zlanagu Fund $ 10.6454

BSS GROUP
Intelbond Chf SFr 78.17
Intersec Chf SFr 284.87
Switzerland Chf SFr 280.84

BSS UNIVERSAL FUND SICAV
Global Eq USD A (Dis) $ 22.7810
Global Eq USD B (Cap) $ 24.2548
Global Eq USD B (Cap) $ 27.8186
Global Bonds USD A (Dis) $ 20.9788
Global Bonds USD B (Cap) $ 21.9268
Global Bonds FRF A (Dis) FFR 1153.2070
Global Bonds FRF B (Cap) FFR 1171.3403
Global Bonds DM A (Dis) DM 244.5597
Finasec Global FM A (Dis) FFR 552.4748
Finasec Global FM B (Cap) FFR 566.1753
Europe ECU A (Dis) Ecu 179.2908
Europe ECU B (Cap) Ecu 195.56
Far East USD A (Dis) $ 33.2787
Far East USD B (Cap) $ 34.0674
Japan JPY A (Dis) ¥ 3094.3263
Japan JPY B (Cap) ¥ 3096.3462
Pacific FRF B (Cap) FFR 1294.4455
NA America USD A (Dis) $ 19.5040
NA America USD B (Cap) $ 19.6408
Latin America USD A (Dis) $ 17.2847
Latin America USD B (Cap) $ 17.3461
World USD A (Dis) $ 10.8895
World USD B (Cap) $ 10.9855
Nordic Equities Sek B (Cap) Sek 106.6597

BZW INVESTMENT MGT HONG KONG
Level 16 Two Pacific Pl, 88 Queensway, HK
Tel : (852)3 2922121
China (PRC) $ 6.670
Hong Kong $ 38.139
Indonesia $ 11.992
Japan $ 7.978
Korea $ 10.031
Malaysia $ 29.845
Philippines $ 16.884
Singapore $ 22.157
Taiwan $ 29.460
Thailand $ 9.359
Asian Fund $ 36.199
South East Asia

CALLANDER Tel:(03)3149-8594 Fax:(03)3149-8599
Callander Exmr. Growth ¥ 178.29
Callander F-Asset ¥ 197.70
Callander F-Austrian AS 1743.76
Callander F-Spanish Ptas 9000.00
Callander F- US Health Care $ 65.79
Callander Series Growth $ 103.10

CAPITAL INTERNATIONAL
Capital Intl Fund $ 165.64
Capital Italia SA $ 50.43

CDC INTERNATIONAL
CEP Court Terme FF 192481.22

CHEMICAL IRELAND FD ADM LTD
353-1 24 19 400
AHL Diversified Plc $ 10.41
Acorn 21st Century Ind $ 7.53
The Yellow Sea Intl Co $ 9.55

CITIBANK (LUXEMBOURG) S.A.
P.O.B 1271 Luxembourg Tel. (352) 4514-1
Citiward Global Bond $ 112.75
Citiward PGP USD $ 1253.42
Citiward PGP ECU Ecu 1165.56
Citiward Selection $ 1817.73
Citicurrencies USD $ 1817.50
Citicurrencies DEM DM 154.40
Citicurrencies Yen ¥ 152827.00
Citiward H.A. Equity $ 223.11
Citiward Cont. Euro Equity Ecu 217.40
Citiport UK Equity £ 165.01
Citiport French Equity FF 1317.57
Citiport German Equity DM 183.08
Citiport Japan Equity ¥ 4023.00
Citiport JAPEC ¥ 364.15
Citiport Samac $ 198.75
Citiport H.A. $ Bond $ 177.67
Citiport Euro Bonds Ecu 175.31
Citiport Jap Sm Cap ¥ 9784.00
Citiport Italian Equity Lit 162184.00
Citiport US Gov Bond $ 96.61
Citiport US Corp Bond $ 100.00
Citiport US Sm Cap $ 14.37
Citiport Income Fund $ 104.85
Citiport Asian Fund $ 1139.44
Citiport Emerging Mkts $ 1145.21
India Focus Fund $ 663.98
Money Manager I $ 10.56
Money Manager II $ 10.41
Citiselect Pfd Balanced Fd $ 10.05
Citiselect Pfd Growth Fd $ 10.84
Citiselect Pfd Enhanced Grth $ 10.68

CITIBANK (PARIS) S.A. 84/07/96
Citi 90 Cap Gtd $ 1091.4.58
Citi Asia Capital Gtd Fd $ 100.63
Citi Gtd Asian Mkts Fd $ 9986.51
Citi Japan 100 $ 110.47
Citi Japan 90 $ 114.32
Citi Intl Amer Cap Gtd Fd $ 10.74
Wasa $ 2231.34

CITITRUST
Citibank Compagnie Pell S.A. $ 19.625
The Good Earth Fund $ 18.671

COMMERCIAL (33-1) 44 70 75 10
C.P.E. Dryx Fund $ 14.1618
C.P.E. Lotus Fund $ 16.7991
Cresset Asia $ 1402.16
Cresset Europe $ 1979.85

CONCEPT HOLDINGS LTD
Continental Limited $ 1388.08
Concept Europa Invest Ltd $ 1385.27
Concept Forex Fund Ltd $ 1274.45
Emerging Mkts Quant Fd Ltd $ 1051.49
Concept Fund Ltd $ 1008.63
Sunflower Trading Fund Ltd $ 1375.94

COWEN ASSET MANAGEMENT
Cowen Enterprise Fund N.V.
Class A Shs $ 1138.56
Class B Shs $ 1753.89

CREDIS INVESTMENT FUNDS
Tel: +41 1 333 8500 Fax: +41 1 221 3465
Credis Bond Fd (DEM) A DM 1020.02
Credis Bond Fd Inc (DM) B DM 1054.05
Credis Bond Fd Inc (ESFR) A SFR 1010.12
Credis Bond Fd Inc (ESFR) B SFR 1032.22
Credis Bond Fd Inc (USD) A $ 1003.45
Credis Bond Fd Inc (USD) B $ 1037.63
Credis Bond Fd Inc (Lire) A Lit 10209571.00
Credis Bond Fd Inc (Lire) B Lit 10209571.00
Credis Bond Fd Inc DM B DM 1044.55
Credis Bond Fd Inc (Lire) Lit 10209571.00
Credis Bond Fd USD B $ 1123.14
Credis Bond Fd (Lire) Lit 94079.00
Credis Money Mkt Fd BEF BEF 36.93
Credis Money Mkt Fd ECU Ecu 1165.56
Credis Money Mkt Fd DEM DM 1910.47
Credis Money Mkt Fd SFR SFR 1548.17
Credis Money Mkt Fd USD $ 1000.00
Credis Money Mkt Fd HFL HFL 1084.43
Credis Money Mkt Fd LIT Lit 1.46E+07
Credis Money Mkt Fd GBP £ 1164.02
Credis Money Mkt Fd Yen ¥ 147818.00
Credis Money Mkt Fd $ $ 1991.42
Credis Money Mkt Fd Ewing Mkts $ 1139.49
Credis Bond Fd Swr Blue Ch A DM 312.16
Credis Bond Fd Swr Blue Ch B DM 1000.00
Credis Bond Fd France A FF 1090.06
Credis Bond Fd France B FF 1204.00
Credis Bond Fd Germany A DM 208.08
Credis Bond Fd Germany B DM 208.08
Credis Bond Fd Gold Mines A $ 257.46
Credis Bond Fd Gold Mines B $ 257.46
Credis Bond Fd Italy A Lit 2534652.00
Credis Bond Fd Italy B Lit 2534652.00
Credis Bond Fd Hign Yld $ 1000.00
Credis Bond Fd Jap Mogul SF SFR 227.91
Credis Bond Fd Jap Mogul ¥ 22211.00
Credis Bond Fd Netherlands A FL 612.01
Credis Bond Fd Netherlands B FL 644.12
Credis Bond Fd Nth-Asser A $ 229.07
Credis Bond Fd Nth-Asser B $ 230.47
Credis Bond Fd Opto-Protec A DM 224.98
Credis Bond Fd Opto-Protec B DM 224.98
Credis Bond Fd Small Cap Eur DM 1148.33
Credis Bond Fd Small Cap Glo DM 957.39
Credis Bond Fd Small Cap Jap ¥ 84981.00
Credis Bond Fd Sm Cap USA $ 1550.14
Credis Bond Fd UK A £ 131.92
Credis Bond Fd UK B £ 148.98
Credis Bond Fd Yen A ¥ 1.2E+07
Credis Swit+Mkt Cap Switzst SFR 243.89
Credis Bond Fd Swiss Fds Intl $ 148.75
CS Gold Value $ 118.07
CS Tiger Fund $ 1215.57
Emerging - Valor $ 155.95
Europe Valor $ 1744.00
Pacific - Valor $ 7746.00
Bond Valor $ DM 1682.99
Bond Valor D - Mark DM 123.18
Bond Valor Ecu Ecu 1173.5
Bond Valor US - Dollar $ 1380.53
Bond Valor Yen ¥ 117735.00
Bond Valor Sterling £ 1047.35
Convert Valor Intl $ 171.69
Convert Valor US - Dollar $ 214.58
Convert Valor Sterling £ 131.62
Credis Bond Fd Aust B $ 1459.37
Credis Bond Fd Cons A $ 1082.95
Credis Bond Fd Cons B $ 1084.16
Credis Bond Fd DM A DM 1019.14
Credis Bond Fd DM B DM 1018.65
Credis Bond Fd Ecu A Ecu 1000.00
Credis Bond Fd Ecu B Ecu 1000.00
Credis Bond Fd Em Mkts $ 1138.98
Credis Bond Fd Europa A DM 233.11
Credis Bond Fd Europa B DM 1000.00
Credis Bond Fd FF A FF 1082.60
Credis Bond Fd FF B FF 1202.13
Credis Bond Fd Gulden A FL 1102.94
Credis Bond Fd Gulden B FL 1777.35
Credis Bond Fd Lire A Lit 2289952.00
Credis Bond Fd Lire B Lit 2289952.00
Credis Bond Fd Pesetas A Ptas 30835.00
Credis Bond Fd Pesetas B Ptas 22045.00
Credis Bd Fd Select-T. DM A DM 1034.55
Credis Bd Fd Select-T. DM B DM 1034.55
Credis Bd Fd Sh-T SFR A/B SFR 1020.88
Credis Bd Fd Short-T. $ A $ 1002.78
Credis Bd Fd Short-T. $ B $ 1002.78
Credis Bond Fd Ewing Mkts $ 1139.49
Credis Bond Fd SF B SFR 1039.69
Credis Bond Fd USS A $ 1000.00
Credis Bond Fd USS B $ 1000.00
Credis Bond Fd Yen A ¥ 1.2E+07
Credis Bond Fd Yen B ¥ 1.2E+07
Credis Bond Fd £ A £ 1000.00
Credis Bond Fd £ B £ 858.42
CS Capital DM 1997 DM 1977.78
CS Capital DM 2000 DM 1000.00
CS Capital Eco 2000 Ecu 1483.54
CS Capital FF 2000 FF 1681.13
CS Capital USS 2000 $ 1000.00
CS Capital Yen 2000 ¥ 1.2E+07

CREDIT COMMERCIAL DE FRANCE
Styxes Monetaire FF 16726.22
Sicav Acticash USD B $ 1223.29

CREDIT LYONNAIS ROISSE (Bermuda) Ltd
Lyonnaise Bermuda Fund $ 114.409
CLR Select Luxembourg (Regulated) 31-05-96
Currency US$ Ord $ 8.18
Currency US$ Dis Ord $ 17.54
Diversified US$ Ord $ 10.61
Diversified DM Ord DM 23.17
Diversified FF Ord FF 80.07
Diversified All Ord All 10.69
Diversified US Gold May 99 $ 10.97
Diversified US Gold Jan 2000 $ 10.39
Equity US$ Ord $ 9.36
Equity DM Ord DM 10.65
Equity US$ Dis Ord $ 8.84
Financial DM Ord DM 16.37

CURSITOR FUND
Cursitor Eastt Asian Eq $ 101.51
Cursitor Glbl Hd Dsgnfd $ 117.16
Cursitor Glbl Gwth Sstn-Fd $ 106.03

DARIER HENTSCH GROUP
Tel 41-22 709 48 88
Darier Hentsch Treasury Fd SFR 9023.96
DH Global Markets Fund SFR 10693.55
DH Mandarin Portfolio SFR 9307.98
DH Multifund SFR 5756.45

DELTEC PANAMERICA TRUST CO, LTD
Deltec Latin American Fd $ 34.00
Deltec Worldwide Inc Fd $ 46.00
Deltec High Yield Fd $ 10498.14

DISCOUNT BANK GROUP
Scand Bd Aldi Hgd Dollar $ 1289.94
Scand Bd Aldi Hgd Chf SFr 1029.63
Scand Bd Aldi Hgd Pfd SFr 1001.94
Scand Bd Aldi Hgd DEM DM 1028.48
Scand Bd M H Short T SFR SFr 1027.52
Scand Bd M H Short T PFF SFr 1244.58
Scand Bd M H Short T DEM DM 1027.56
Scand Bd Equity Emrgng Mkt $ 1650.87
Scand Bd Equity America $ 2108.29
Scand Bd Eq French FF FF 1003.34
Scand Bd Eq Japan ¥ 998.47
Scand Bd Eq Technology $ 1852.16
Scand Bd Eq Asia Pacific $ 1259.57
Scand Bd Eq Europe $ 1035.40
Scand Middle East Israel
DISCOUNT INVESTMENTS
Discover Asia $ 9.45
Discover Europe $ 13.07

DORSIER GESTION COLLECTIVE
Global $ 341.31
Asiedor $ 1088.54
Europe $ 124.87

DRESDNER BANK INVESTMENT GROUP
DIT-OT. INVEST.MENT-TRUST: FFM
PO Box 110440,D-60039 Frankfurt,Fax(49)69-4546
Concordia + DM 58.44+
Intl Rentenfond + DM 69.01+
DRESDNER KLEINWORT BENSON INT'L MANAGEMENT SERVICES LTD
La Touche House - IFSC - Dublin 1
3538 Thornton Lot Asn Sel Fd $ 7.98
Consolidator Fund $ 7.98

DUBAN & SWIECA
Tel : (809) 945 1488 Fax : (809) 945 1488
Hemisphere Capital Corp. $ 16734.58
Overlook Performance $ 3478.58

EBC FUND MANAGERS (Jersey) LTD
1-3 Seale St, St Helier / 441 534-34831
EBC TRADED CURRENCY FUND LTD
Capital $ 97.69+
Income $ 17.57+
INTERNATIONAL INCOME FUND $ 34.4384+
Long Term DM 114.0984+
Long Term - DMK
ED & F MAN INVESTMENT PRODUCTS
Toll Free: +0 46 05 18 14
Man Limited - Ordinary $ 33.09
Man Limited - Income $ 9.76
Man Ltd Ltd - Spec Issue $ 20.17
Man Ltd Ltd - Nov 2002 $ 10.58
Man Ltd Currencies $ 7.65
Man Ltd Currencies 2001 $ 7.43
Man G GL Fin 2003 $ 8.62
Man Plus Ltd 2000 $ 9.07
Man Plus Ltd Bond $ 91.57
Man Plus Ltd Bond $ 12.52
Atlanta Ltd Futures $ 9.76
Atlanta Ltd Currencies $ 15.34
Atlanta Ltd Financials Cap $ 13.05
Atlanta Ltd Financials Inc $ 10.56
AHL Alpha Plc $ 15.34
AHL Capital Mkts Fd $ 15.34
AHL Commodity Fund $ 12.13
AHL Currency Fund $ 101.57
AHL Div Ltd Ltd $ 10.41
AHL Div Plc $ 9.59
AHL Real Time Trad Fd $ 8.80
AHL Real Time Trd $ 11.44
AHL Dis Cap Mark Ltd $ 10.79
AHL Ltd Currencies Ltd $ 9.92
Man Guaranteed 1996 Ltd $ 12.56
Man Leveraged Accss. Ltd $ 10.24
MAP Guaranteed 2000 $ 10.24
MAP Gtd 2001 $ 10.24
MAN-Glenwood M.S. $ 112.53

ERMITAGE LUX (352)-4673 30
Ermitage Inter Rate Sirat DM 11.59
Ermitage Selc Fund $ 84.33
Ermitage Europe Mkts Fd $ 10.63
Ermitage Euro Asset Fd $ 13.97
Ermitage Index Fd $ 11.91
Ermitage Odey Existing Sh DM 12.21
Ermitage Odey A Sh DM 11.80
Ermitage Odey Emrg Invt $ 4.11
Ermitage Nordic Fd Sek 2.55
Ermitage Select Fund

EUROPA FUNDS LIMITED
American Equity Fund $ 393.24
American Option Fund $ 42.96
Asian Equity Fd $ 148.03
European Equity Fd $ 194.84

EUROPEAN FINANCIAL GROUP EFG
PROTON FUND
Proton US$ Cash Fd $ 6865.78
Proton Eca Cash Fd Ecu 2659.99
Proton Swiss Franc Cash SFr 12010.66
Proton Int. Bond Fd-US$ $ 5140.08
Proton Int. Bond Fd-Ecu Ecu 7789.64
PROTON INTERNATIONAL FUND
Proton N America Eq Fd $ 7221.57
Proton European Eq Fd Ecu 7691.47
Proton Asian Eq Fd $ 2364.54
Proton US Small Cap Fd $ 1458.54
Proton Japan Fd $ 818.54
Proton Emerging Eq Fd $ 1172.80
Proton Global Fd $ 1486.68
Global Opportunities Fund $ 1000.00
Proton Bond Inc. FF 12483.91
Proton Money Mkt Fd FF 10001.75
Proton CAM Fund $ 119.68

EVEREST CAPITAL (441) 293-2288
Everest Capital Fund Ltd $ 781.6000
Everest Capital Intl Ltd $ 998.01

FAIRFIELD GREENWICH GROUP
Advanced Strategies Ltd $ 1288.5230
Fairfield Intl Ltd $ 2000.00
Fairfield Sentry Ltd $ 1000.0000
Sentry Select Ltd $ 603.5000

FAIRWAY INTERNATIONAL LTD
Fairfund Fund DM 1618.68
Stratford Asia Fund $ 997.18
Stratford Opportunity Fd $ 1000.00
Stratford Commodity Fd $ 1008.80

FERGUSON LUILLIN GROUP
FL Trust Asia $ 189.58
FL Trust Switzerland SFr 169.49

FIDELITY INVESTMENT
Tel - 80 352 352351230
New Europe Fund $ 21.59
World Fund $ 134.17
Far East Fund $ 27.44
Pacific Fund $ 58.47
Oxford Fund $ 115.12
Global Collection Fund $ 22.08
Special Growth Fund $ 41.82

FINMANAGEMENT SA-Lugano(41.91/2393123)
Delta Premium Corp. $ 1302.00

FLEMING FUND MANAGEMENT
LUXEMBOURG (Tel : 352 34 101)
THE OASIS FUND SICAV
International Equity Fund $ 9.7769

FOKUS BANK A.S., Grimstad (+47-37 04 02 01)
Fokus Intl Growth Fd 0.99

FOREIGN & COLONIAL EMERG MKTS LTD
Tel : London 171 628 1320
Argentinian Fund Co Shsw $ 21.57
Brazilian Invest Co Shsw $ 39.50
Commonwealth Invest Co Shsw $ 10.34
GBM Caribbean Co Shsw $ 10.75
Indian Invest Co Shsw $ 7.19
Latin Amer Extra Yield Fd $ 8.3770
Latin Amer Invest Co Shsw $ 16.05
Mexican Invest Co Shsw $ 21.76
Pacific Invest Co Shsw $ 17.86
Pakistan Invest Co Shsw $ 13.05
Taiwan Fund Co $ 13.87

FORMULA GROUP
Formula Fund NV $ 104.25

FUND MARKETING GROUP (BID)
P.O. Box 2001, Hamilton, Bermuda
FMG Global (CHAcy) $ 17.26
FMG Europe (CHAcy) $ 15.46
FMG Europe (CH May) DM 21.00
FMG EMG MKT (CHAcy) $ 12.62
FMG Jr Gl (CHAcy) $ 11.51
FMG Fixed (CHAcy) $ 10.93
FMG Fixed (CHMay) $ 54.99

FURMAN SELZ FINANCIAL SERVICES LTD
Tel:+353 1 679 7788 Fax:+353 1 679 7998
Acacia USA Fund $ 104.986
Acacia USA Growth Fund $ 71.826
Caledonian Intl Ltd $ 1717.0000
Seagarlock Ind Ltd $ 12567.9226

FX CONCEPTS (BERMUDA) LTD
Concepts Currency Fd $ 110.65
Concepts Bond Fd $ 109.53

*** GAIA CURRENCY FUNDS tFAX 82585
Tel: 353 1 676 2188/Fax: 353 1 676 0579
Gaia Hedge II $ 174.38
Gaia Hedge III $ 16.16
GAIA Fit $ 145.47
Gaia Guaranteed Cl I $ 90.13
Gaia Guaranteed Cl II $ 90.86

GEFINOR FUNDS
London171-499 41 71,Geneva:41-22 735 55 30
Scottish World Fund $ 549.2777

GENESEE POND FD
AIG Global Equity $ 202.52

*** GLOBAL ASSET MANAGEMENT
tFAX: G.B. 82585, IT/Geneva 82585/Lake 82583
INTERNET SITE: http://www.global-am.com
OFFSHORE FUNDS
11 Athol St,Douglas,I of Man 441 624-626837
GAM 1 Special Bond $ 154.51
GAM ACTIVE $ 104.86
GAM ASEAN $ 438.54
GAM Asian Dev Mkts $ 113.84
GAM Bond A $ 187.87
GAM Bond B $ 182.86
GAM Bond DM DM 104.13
GAM Bond Ecu Ecu 139.17
GAM Bond US$ Ord $ 156.03
GAM Bond US$ Special $ 202.53
GAM Bond Yen ¥ 15469.00
GAM Brazilia $ 183.34
GAM Cross-Market $ 131.99
GAM Diversity $ 222.14
GAM Emrg Mkts $ 169.39
GAM Emrg Mkts Mtl-Fd $ 188.63
GAM Franc-val $ 207.26
GAM Fund SFr SFr 1559.59
GAM GAMCO $ 286.85
GAM High Yield $ 192.51
GAM Hong Kong $ 1215.57
GAM India $ 155.95
GAM Intl-Europe DM DM 154.71
GAM Intl-Europe US$ $ 152.67
GAM Japan Fund ¥ 1650.00
GAM Japan Index ¥ 1.2E+07
GAM Money Mkts DM DM 100.87
GAM Money Mkts SF SFr 100.84
GAM Money Mkts US$ $ 100.36
GAM Money Mkts Y ¥ 10000.00
GAM Orient $ 164.58

GAM Pacific $ 1.2E+07
GAM Pan European $ 137.76
GAM Science $ 134.05
GAM Technology $ 123.05
GAM Value $ 148.13
GAM SF Special Bond SFr 1.2E+07
GAM Singapore/Malaysia $ 816.56
GAM Tactica $ 182.97
GAM Trading DM DM 1330.51
GAM Trading US$ $ 198.02
GAM Tyche $ 475.17
GAM Worldwide $ 38.61
Dollar Medium Term $ 28.02
Dollar Long Term $ 28.83
Sterling Bond $ 5525.00
Pound Sterling $ 31.48
Deutsche Mark DM 28.56
Dutch Florin FL 29.70
HY Euro Currencies Ecu 19.43
Swiss Franc SFr 14.74
HY Euro Curr Divid Pay Ecu 11.73
Swiss Multicurrency SFr 16.62
Yen Currency ¥ 1.2E+07
Belgian Francs BFr 166.63
Convertible $ 18.09
French Franc FF 1617.17
Swiss Multi-Dividend SFr 9.72
Global Currency SFr 112.48
Global Bond Ecu Ecu 268.65
IRISH REGISTERED UCITS
45-46 Lower Mount St,Dublin 2,353-1-676060
GAM Asia Acc DM 98.49
GAM Europe Acc DM 150.00
GAM Global A DM 124.50
GAM Global B $ 100.00
GAM International A $ 19.61
GAM International D $ 19.61
GAM Japan Capital $ 11.56
GAM North Pacific Acc $ 13.05
GAM Asian Capital $ 10.13
GAM Pacific Basin A $ 17.75
GAM Pacific Basin B $ 17.67
GAM America Capital $ 12.48
IDF INVT AND DEVT FINANCING LTD
IDF Global $ 104.66

GLOBAL CAPITAL MANAGEMENT LTD
Bermuda:(441) 295-1422 Fax:(441) 295-6780
JWH GLOBAL STRATEGIES LTD
(A) Offshore Fund $ 153.83
(C) Financial & Metals $ 199.28
(D) Global Diversified $ 126.51
(F) G7 Currency $ 104.31
(H) Yen Financial $ 158.16
(K) Intl Currency & Bond $ 142.99
(L) Global Equity $ 130.32
JWH WORLDWIDE FUND $ 22.80

GLOBAL FUTURES & OPTIONS SICAV
FFM Int Bd Prosp-CHF C SF 90.99

GORDON HOUSE ASSET MGT LTD
Tel:283 1661 3400 Fax: 353 1661 3486
Independent Strat European $ 5.84
Fd $ 6.01
Optimal Fund $ 6.01

GOTTEX FUND MANAGEMENT
G. Swap Fund Ecu 1129.90

GRANITE CAPITAL INTL. GROUP
Granite Bonds Equity Fd $ 1389.81

GROUPE INDOSUEZ FUNDS 05/07/96
Tel : (352) 46 54 54 476
Fax : (352) 46 54 23
BOND PORTFOLIOS
DEM Bond ___ Dis 5.72 DM 7.41
Diversified ___ Dis 2.69 $ 2.69
Dollar Bond ___ Dis 2.74 $ 2.74
European Bd ___ Dis 1.31 Ecu 1.59
French Franc ___ Dis 10.23 FFr 13.00
Global Bond ___ Dis 2.92 $ 2.91
Italian Lire Bond Lit 10641.00 10641.00
Spanish Peseta Bond Ptas 986.00 986.00
EQUITY PORTFOLIOS
ASEAN $ 8.74
Asia Pacific

WORLD ROUNDUP

England Reaches 550

CRICKET Mark Ealham made 51 on his test debut Monday as England crept past India's first innings, 521 on the fourth day of the third and final test at Trent Bridge. England, which needs a draw to win the series, goes into the last day on 550 for seven. *(Reuters)*

Iran's Woman Olympian

OLYMPICS Iran is sending its first woman to the Olympics since the 1979 revolution, an official said Monday. Lida Fariman will compete in target shooting at Atlanta. Iran allows women to compete abroad only in equestrianism, skiing, shooting, chess and sports for the handicapped because other disciplines violate Islamic dress codes. *(Reuters)*

Bolivia on a High

SOCCER Bolivia celebrated FIFA's decision to allow it to play World Cup qualifying games at altitude in La Paz by thrashing Venezuela, 6-1. Although FIFA ruled that clubs must release players 10 days before national teams play in Bolivia's capital, Venezuela chose to fly in three hours before the start.

In Lima, Peru, Argentina's striker Abel Balbo was ejected in the 30th minute but desperate defending earned the visitors a 0-0 tie. *(Reuters)*

Barkley in Bar Incident

BASKETBALL Charles Barkley has been accused of punching a man in the nose during a bar brawl in Cleveland. Jeb Tyler filed a complaint Sunday accusing Barkley of assault. Barkley, in town with the U.S. Olympic team, filed a report accusing Tyler of using "bodily force." *(AP)*

A Sprinkling of Violence

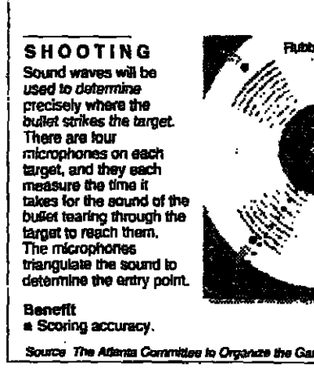
SOCCER Tempers flared in a Brazilian regional championship game after the sprinklers went off. Goias had just converted a controversial penalty that gave them a 2-1 win over Anapolis when powerful water jets shot up from sprinklers buried in the turf. Reports said the ground staff had forgotten to turn off a computer that activates the jets at the same time each night.

Anapolis' midfielder Marco Antônio Boiadeiro took advantage of the confusion to kick referee, Antônio Pereira da Silva. In the ensuing melee a linesman punched Boiadeiro in the face as armed police separated players and officials. *(Reuters)*

Stockton Wins Open

GOLF Dave Stockton, parred the first 17 holes to hold off Hale Irwin and win the U.S. Senior Open by two strokes Sunday in Beechwood, Ohio. Irwin, who shot a 67, birdied No. 16 to move within a stroke, but bogeyed the final two holes.

• Steve Stricker won the Western Open at Lemont, Illinois, by eight strokes for his second PGA victory in six weeks. *(AP)*



Kimberly Bartl/AFP

Hale Irwin reacting to a missed putt in the U.S. Senior Open.

Triumph for Washington, Without Winner's Trophy

International Herald Tribune

WIMBLEDON — The mere sight of MaliVai Washington in the Wimbledon final Sunday was a noble victory over stereotypes and common understandings. He was the first black man to reach such heights since a fellow American, Arthur Ashe, went on to upset Jimmy Connors in 1975.

Washington was flattered by the comparisons, but he did not dwell on them publicly. Someone tried to draw him out by asking why Washington thought the packed house around Center Court had been rooting so openly for him throughout his 6-3, 6-4, 6-3 final defeat to Richard Krajicek.

"Because I'm better looking than Rich," joked Washington, 27. "You'll have to tell me why it was. But it felt good."

Washington had won just three of his nine matches at Wimbledon before this year. His world ranking has skidded back and forth from No. 11 to No. 54 over the last four years. To look at it another way, he was one of many outsiders to seize control of the world's most treasured tennis tournament.

His father, William Washington, came with his wife, Christine, from Mississippi. MaliVai's father was the assistant dean at the State University of New York, when he decided to teach poor children on the university's new tennis courts in the city. First he taught himself to play, and then his five children.

MaliVai Washington was 6 when Ashe beat Connors. The family moved to Schwartz Creek, Michigan, near the General Motors headquarters where MaliVai's parents worked. He received excellent coaching, attended the University of Michigan on a tennis scholarship and was ranked the No. 1 collegiate player in the United States after helping the team to the national championship. His younger brother and fellow pro, Mashiska, accompanied him to Wimbledon, training with him in between matches.

Krajicek, an enormous 24-year-old talent had won just nine tournaments — none this year — before playing Washington for the first time Sunday. It was the first Wimbledon final between two unseeded men. Washington had won a minor event in Bermuda earlier this year, the fourth victory of his career. Neither player had lived up to the hopes held by those who saw them as role models.

Krajicek's parents had him hitting the ball when he was 3. As he grew toward his height of 6 feet 5 inches (1.96 meters) his family sacrificed summer holidays in order to squire him to tournaments. Krajicek, the son of Czech immigrants, represented the unfulfilled hopes of the Netherlands, which had never produced a men's Grand Slam champion. Tom Okker had come closest in 1968, losing the U.S. Open final to none other than Ashe.

*Tennis/*IAN THOMSEN

The Wimbledon fortnight, like none other in 110 years, obscured the intangible differences between champions and also-rans. Andre Agassi, the No. 3 seed and 1992 champion, lost in the first round to a qualifier with more resolve. Doug Flach. Boris Becker suffered a wrist injury that might be a result of wear and tear a dozen years after he won Wimbledon at 17. He was the first unseeded champion at Wimbledon, and Krajicek became the second.

No. 1 Pete Sampras had survived against the hard serves of Goran Ivanisevic and others while winning the last three Wimbledon titles. But the death of his coach, Tim Gullikson, two months ago might have been too much for Sampras to bear in his old single-minded way. Sampras looked frail in comparison to the bearish Krajicek in their quarterfinal. Sampras, 24, will have little respite with the Olympics coming up this month, and suddenly he needs to win the U.S. Open to avoid his first year without a Grand Slam since 1992.

Even No. 1 Steffi Graf, who has lost two matches at Wimbledon in nine years, said she benefited from playing a couple of stubborn opponents in the early rounds.

"I didn't expect them to be that tough," said Graf after winning her seventh Wimbledon, 20th Grand Slam title and 100th tournament overall. By Graf's high standards, she was stunned to be pushed to a 10th game in her opening set against Ludmila Richterova, the world No. 75 from the Czech Republic; then Graf had to win seven games for the first set against No. 122 Nathalie Baudone of Italy.

Who knows whether the same old names will resume their dominance next year? For now, the changes were signed off Sunday night by Martina Navratilova, who at 39 failed to win her 20th Wimbledon title — which would have equaled the record of Billie Jean King — when she and Jonathan Stark lost the mixed doubles quarterfinal in straight sets to Lindsay Davenport and Grant Connell. On her way out Navratilova plucked a tuft of grass from Court No. 1, which is to be torn down before next summer in favor of a bigger, modern version.

■ Hingis Sets Wimbledon Record

Martina Hingis of Switzerland became the youngest Wimbledon champion in history Monday, at 15 years and 282 days, when she and Helena Sukova of the Czech Republic won the rain-delayed women's doubles final.

Hingis and Sukova beat Meredith McGrath of the United States and Larisa Nieland of Latvia, 5-7, 7-5, 6-1, as Wimbledon went into a third week. Hingis is three days younger than the previous youngest champion, Lottie Dod, was when she took the singles title in 1887.

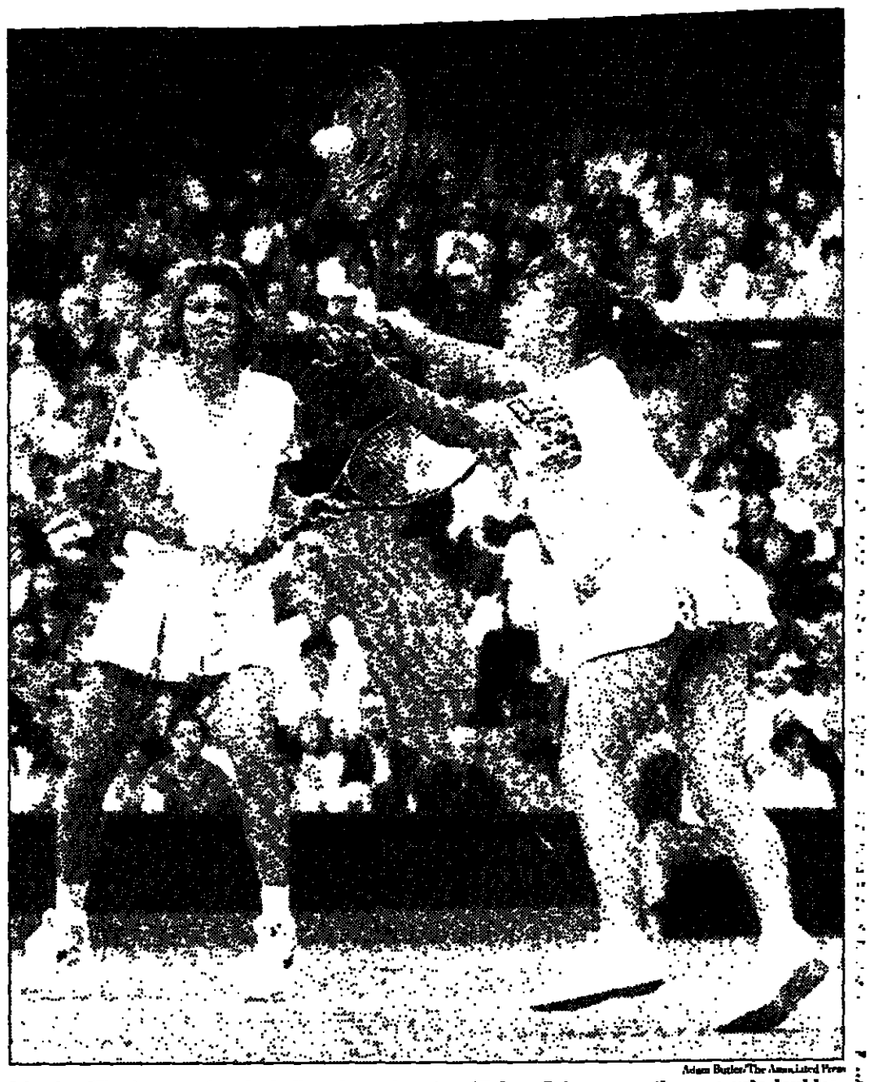
Center Court was packed Monday as fans took advantage of free admission.

After collecting the trophy, Sukova and Neiland took up their rackets again. Each played three more matches in the rain-delayed mixed-doubles. Sukova partnered her brother, Cyril Suk, while Neiland played with Mark Woodforde of Australia.

In the quarterfinal, Suk and Sukova bear two Americans, Luke Jensen and Nicole Arendt, 6-3, 2-6, 10-8, and then beat Connell and Davenport, 6-4, 6-2, in the semifinal.

Neiland and Woodforde, the No 1 seeds, beat Patrick Galbraith and Pam Shriver of the United States, 3-6, 6-2, 7-5, in the quarterfinal and then beat Christo van Rensburg of South Africa, and Laura Golarsa of Italy, 6-3, 3-6, 6-2.

Suk and Sukova won the final, 1-6, 6-3, 6-2.



Adam Butler/The Associated Press

Martina Hingis returning the ball as she and partner Helena Sukova won the women's doubles.

Snow Curtails Mountain Stage as Riis Cuts Short Berzin's Reign

By Samuel Abt
International Herald Tribune

SESTRIERE, Italy — Evgeni Berzin, the man without a team, should have benefited Monday when, because of overnight snow in the high Alps, intense cold and high winds, the Tour de France had to eliminate two major climbs and shorten the key mountain stage by three-fourths of its scheduled length.

With the 189.5-kilometer (117-mile) ninth stage from Val d'Isère, France, to the resort of Sestriere, Italy, reduced to 46 kilometers (28.5 miles), Berzin was expected to be able to keep displaying the strength that won him the overall leader's yellow jersey during the weekend.

True, his Gewiss team is especially weak in climbers able to pace Berzin and let him save his power for the final ascent. But after a few inches of snow fell on the Iseran and Galibier peaks — both rated beyond category in length, steepness and general difficulty — and they were dropped from the stage, all the Russian had to overcome were a second-category and a first-category climb.

He could not do it.

Bjarne Riis, the second man in the overall standings, attacked on the minor climb and held off all opposition on the bigger one to win the stage comfortably and claim the yellow jersey.

Riis, a Dane with Telekom who finished third in the last tour, ended his short spell in the saddle with a victory by 24 seconds over Luc Leblanc, a Frenchman with Polti. Richard Virenque, a Frenchman with Festina was third, 26 seconds behind Riis.

Tony Rominger and Miguel Indurain, two other contenders for victory when the tour ends July 21 in Paris, finished together, fourth and fifth, 28 seconds behind Riis.

Ricky Naegelen/Reuters

Bjarne Riis of Denmark climbing in the final kilometers to take the leader's yellow jersey.

The winner was timed in one hour, 10 minutes, 44 seconds from the new start in Les Monétier les Bains.

Berzin, who tried to lead the chase after Riis, was exhausted halfway up the final 11-kilometer ramp. Finishing 14th, he lost 1:23 and now, in second place overall, trails Riis by 40 seconds.

Rominger, a Swiss with Mapei, is third, 53 seconds behind, and Indurain, a Spaniard with Banesto and the winner of the last five tours, moved up to eighth, 4:38 behind.

On the final climb, Berzin got a taste of what awaits him in the Pyrenees if he reclaims the yellow jersey. Forced to lead the chase, he had to counter alone each rider who burst past him in an attack.

When the attacker saw that Berzin was on his back wheel, he refused to relay him and, by slowing, made the Russian resume the work at the head of the pack.

He would have faltered much earlier if the 157 riders had gone over the Iseran and Galibier. Those peaks were eliminated by the tour organizers Monday morning when patrols reported that, although the road had been plowed, it remained slushy and even icy in parts.

Some of those parts were on the descent from the Galibier, where gusty winds threatened to blow riders off the steep and narrow descent roads. The temperature was viciously low: just above freezing in the valley at the start and way below freezing on the peaks.

After a week in the rain and severe rider attrition and illness, the organizers announced that for the first time in the tour's 93 years, a stage would be curtailed because of the weather.

The decision was confirmed in the rain-whipped streets of Val d'Isère as three mountaineers brought forth lugubrious sounds from their long alpenhorns, part of the town's hospitality to a race it expected to see off in the usual heat of July.

Looking as mournful as the alpenhorns sounded was Claudio Chiappucci, the Italian climber with Carrera who won the stage to Sestriere in 1992 with a monumental breakaway in which he rode alone most of the long day and steamed into his country with a wide smile and his arms high in victory.

He hoped to repeat that triumph Monday but finished 62d instead, 4:31 behind Riis.

Chiappucci ranks 57th overall and is no longer even the leader of his team, having had to yield that role to the young Austrian climber, Peter Luttenberger, who won the Tour of Switzerland last month and ranks sixth overall in this tour.

CHIAPPUCCI finished second in the tour in 1990, third the next year and second again in 1992. He was second in the Giro d'Italia in 1991 and 1992 and third the next year. Now, with no hopes left of winning a major stage race, he looks for one-day exploits.

Gone are the days when he would attack, attack and attack again. When opponents railed against him he loved the attention. The man who wore the nickname El Diablo, the devil in Spanish, on his helmet, never cared half so much about respect as he cared about attention.

He used to wake with a song in his heart and a spring in his step. No more. These days his knees ache and the tendons in his heels are sore. He no longer coasts to the start of a stage while sitting on his handlebars.

Chiappucci is 33, old and vulnerable for a professional bicycle racer. He sees the doors closing. Next year he will change teams, he has said, leaving Carrera after 12 seasons to join the minor Aki team.

This was probably the last time in the tour that he could hope for an exploit. But the snow, not Claudio Chiappucci, got all the attention Monday.

Digital Judgment: Technology at the Olympics

While electronics will enhance the Olympic experience for observers in Atlanta and viewers at home, many of the improvements allowing for more precise judgments will be virtually invisible. Here is a look at two examples of digital technology in the 1996 Summer Games.

MARATHON

To add to the mind-boggling number of statistical esoterica available at the Atlanta Olympics, marathon runners will have microchips in their shoelaces to measure their split times.

Benefits

- Timing accuracy.
- Allows for precise splits for athletes who are running in packs.

- The transponders are keyed to specific runners.
- Transponder microchip, one inch wide, less than an ounce.
- Transponders are also along the course.

Competition dates
July 28, Aug. 4

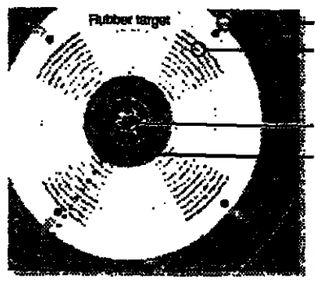
Finish location
Olympic Stadium
Capacity: 85,643

SHOOTING

Sound waves will be used to determine precisely where the bullet strikes the target. There are four microphones on each target, and they each measure the time it takes for the sound of the bullet tearing through the target to reach them. The microphones triangulate the sound to determine the entry point.

Benefit

- Scoring accuracy.



- Hidden microphones.
- Sound waves.
- If the bullet hits dead center, the sound reaches the four microphones at the same time.
- Bullet path.

Competition dates
July 20-27

Location
Wolf Creek Shooting Complex
Capacity: 7,500

Source: The Atlanta Committee to Organize the Games

NYT

Man vs. Man vs. Machine: Olympics Enter the Electronic Age

By Kevin Sack
New York Times Service

ATLANTA — Believe it or not, there was a time when the sand in a long jump pit was smoothed by human beings using common garden tools like rakes and brooms. And in a bygone era, the winners of shooting competitions were determined by judges who eyeballed paper targets and measured the distance from bullet hole to bull's-eye.

How quaint. It will not be that way in Atlanta, where all manner of electronic thingamabobs will help make the 1996 Summer Olympics the most technologically sophisticated games on record.

Microchips attached to the shoelaces of marathon runners will permit officials to determine precise splits at regular intervals along the course. New electronic starting blocks will enable broadcasters to announce which swimmers left their platforms microseconds before the others. At the Wolf Creek shooting venue, a bullet's entry point on a target will be determined by sound-wave-measuring microphones.

But for its sheer capacity to put American laborers out of work, no technological innovation beats the Jatsystem Automatic Landing Pit Smoothing Machine. Developed in Finland, the motor-driven, remote-controlled device spans two aluminum rails on either side of the pit.

After each jump, it rides back and forth over the sand for about 40 seconds, first tilling the sand to a depth of five inches and then dragging it smooth. The machine has already borrowed a nickname from ice hockey: the sand-boni.

"The athletes seem to like it," said Phillip L. Henson, the competition manager for athletics at Centennial Olympic Stadium. "It's quicker, and it leaves a very, very smooth surface that's perfectly level."

As for the human sand-rakers who may now have to be retrained as computer programmers, Henson sighed. "It's the old contest between man and machine."

Many of the technological developments introduced during the games are designed primarily to make events more interesting for spectators and television viewers, and to help athletes and coaches detect flaws in performances.

The new scoring system at the shooting venues, for example, will enable both fans and marksmen to see computerized replicas of targets immediately after shots are fired.

A Swiss company, Sius-Ascor, developed a scoring system in which bullets are fired at a rubber target. As the bullet tears through the rubber sheet, four highly sensitive microphones placed in a box behind the target pick up the sound waves produced by the impact. The microphones feed data into a computer that pinpoints the location of the hit within a few hundredths of a millimeter.

If the bullet hits dead center, the sound waves reach each microphone at precisely the same moment. If it does not, the sound waves reach each microphone at varying times. Through triangulation, the computer calculates the location and feeds the information back to a video terminal.

Atlanta 1996

In other sports, instant digital analysis of videotape, much of it designed by Swatch, the Swiss company selected as the official timekeepers of the games, will allow broadcasters to provide whole new categories of trivia about athletic performances.

Cameras placed in each corner of the track and field stadium will film races at 100 frames per second, enabling detailed dissection of the positioning of runners as they move down the track. When a member of the Dream Team dunks a basketball, producers will be able to quantify the hang time within a matter of seconds.

In sprint races, like the 100-meter run and 110-meter hurdles, laser beams trained on the runners will measure speed and acceleration. Infrared cells placed along the triple jump runway will measure the length of each phase of the hop, step and jump.

For distance races like the marathon, the 20-kilometer and 50-kilometer walks and the cycling road races, a network of transponders will measure split times at regular intervals along the course.

In the marathon, for instance, miniature transponders, just over an inch wide and less than an ounce in weight, will be attached to athletes' shoelaces. At the halfway point, and at eight intermediate points, runners will cross over mats that activate the transponders, sending coded information about the runner's number and time to a computer. On bicycles, the devices are attached to the crossbar.

The devices, tried this year at the Boston Marathon and several races in Europe, not only improve the precision of timekeeping but insure that splits can be determined for runners and bikers who are bunched together in packs.

At the aquatic center, touch pads buried within the starting blocks will sense when a swimmer's feet leave the block, enabling the measurement of reaction times, which can be critical, particularly in short races. Experimentation with the system has shown that even top swimmers sometimes take up to 1.3 seconds to leave the blocks, more than double the .45 seconds seen with the best starters.

"That's an eternity," said Mike J. Gibbons, the resident engineer in Atlanta for Swatch Timing. "The guy's just parked there. It's always been guesswork in the past. The coaches are going to love this."

SPORTS

Padres Sweep Giants To Lead in NL West

Marlins Win, Too Late for Manager

The Associated Press

The San Diego Padres completed a four-game home sweep of the San Francisco Giants with a 10-3 victory Sunday, and enter the All-Star break in first place in the National League West for only the second time in their history.

Ken Caminiti, added to the All-Star roster before the game, drove in three runs for the Padres. Caminiti will replace the Giants' third baseman, Matt Williams, who will miss the All-Star Game with a bruised elbow. Caminiti hit a solo homer in the fourth inning, one of three by the Padres in the inning, as San Diego got its ninth victory in 11 games.

Fernando Valenzuela (5-6) survived a 36-pitch first inning and worked six innings for the victory.

Cubs 7, Reds 6 In Chicago, Terry Shumpert lined a game-winning single off the left-field wall with one out in the 13th inning for the Cubs, who had tied it in the ninth with two runs off Lee Smith.

Rockies 3, Dodgers 0 Kevin Ritz and two relievers combined on a five-hitter and Eric Young had a pair of run-batted-in singles as visiting Colorado avoided a four-game sweep in Los Angeles.

Red Sox 7, Orioles 5 Mo Vaughn's second home run of the game, a three-run shot with two outs in the top of the ninth, traveled 457 feet (139 meters) — the second-longest in the five-year history of Camden Yards. Vaughn entered the game with a 13-game homerless streak and a strained ligament in his right middle finger. Chris Hoiles' hit a two-run homer in the eighth, and Brady Anderson hit his major-league-leading 30th home run for the Orioles.

Rangers 8, Mariners 3 Ken Hill shut down the lineup that leads the American League in runs, allowing one unearned run in 7⅔ innings. Hill (9-5) had won only once since May 31.

Angels 9, Athletics 4 Chili Davis and Garret Anderson both went 4-for-4, and Davis drove in four runs as visiting California avoided a four-game sweep.Mark McGwire hit his 28th home run for Oakland.

Royals 8, Twins 2 Kansas City won consecutive road games for the first time since May 21-22 as Tom Goodwin drove in a career-high four runs and scored twice in support of Tim Belcher (7-4), who won his first game in more than a month.

In games reported in some editions Monday:

Marlins 7, Phillies 4 Rene Lachemann, was dismissed by the Florida Marlins as manager just hours before the team snapped a seven-game losing streak with a victory over Philadelphia.

On Monday, the Marlins selected John Boles, a front-office executive, to replace Lachemann. Boles, 47, joined the Marlins in 1991. He has no major-league managerial experience, and hasn't managed any team in 10 years.

Lachemann, 51, stayed to watch the game along with the general manager, Dave Dombrowski — the man who fired him. And, because of travel constraints, Lachemann returned to Miami on the team plane Sunday night.

Braves 9, Astros 1 In Atlanta, Fred McGriff hit his first homer in 16 days and Greg Maddux won for the fourth time in five starts. McGriff hit a two-run homer, his 20th, in the eighth.

Expos 4, Mets 3 Rheal Cormier pitched into the ninth and Darrin Fletcher hit a go-ahead, two-run homer in the sixth as Montreal, playing at home, snapped a four-game losing streak.

Pirates 8, Cardinals 2 In Pittsburgh, a two-run homer from Jeff King and three-run triple from Charlie Hayes helped the Pirates end a six-game losing streak to the Cardinals.

Indians 6, White Sox 1 Despite losing, the White Sox took three out of four games in Cleveland during the weekend and their 50-37 record trails the division-leading Indians by two games Manny Ramirez drove in three runs, Omar Vizquel went 4-for-4 with four RBIs.

Brewers 4, Yankees 1 Darryl Strawberry received a standing ovation in his return to Yankee Stadium, but it couldn't get him a hit. Strawberry went 0-for-4 as the designated hitter in his 1996 major-league debut.

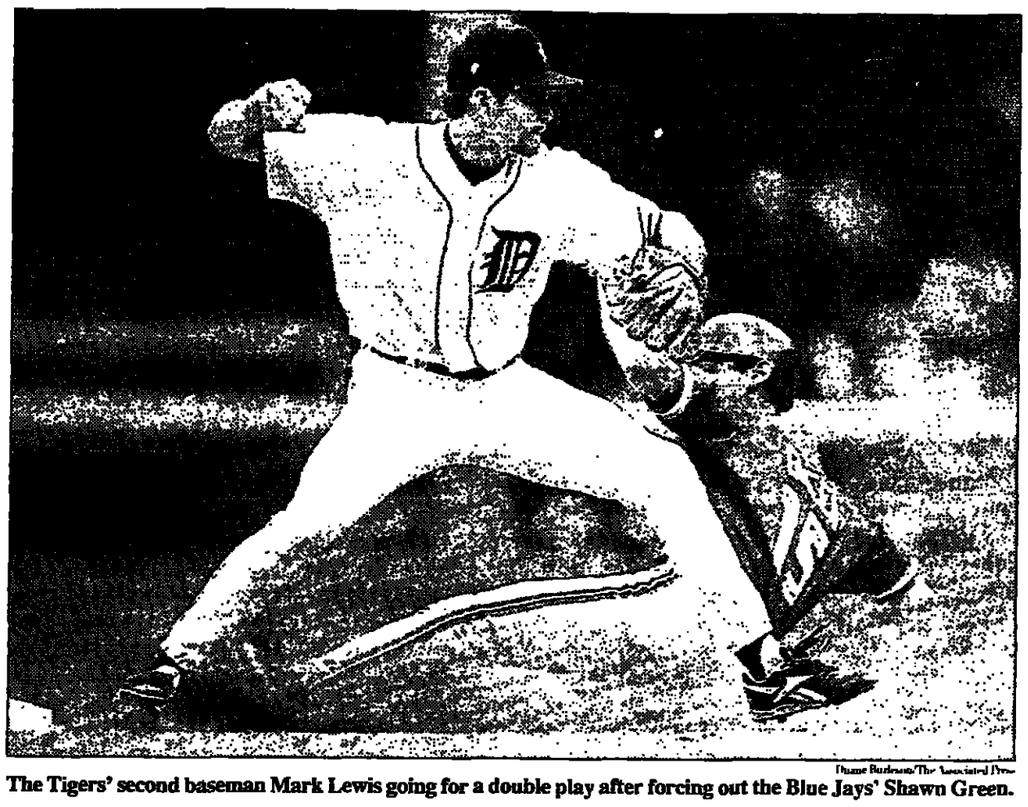
Tigers 9, Blue Jays 0 Cecil Fielder broke out of an 0-for-22 slump in style, hitting a grand slam in the first inning at Toronto. He was hitless since June 30.

■ Lineups for All-Star Game

John Smoltz of the Atlanta Braves will start against Cleveland's Charles Nagy in the All-Star Game on Tuesday night in Philadelphia.

Cleveland's Kenny Lofton will lead off for the American League and play center field, and Wade Boggs of the Yankees will bat second and play third base. Baltimore second baseman Roberto Alomar will bat third and play second base, followed by Frank Thomas of the White Sox at first. Cleveland's Albert Belle will bat fifth and play left, and Texas catcher Ivan Rodriguez will hit sixth. The Orioles shortstop Cal Ripken will hit seventh, followed by Baltimore teammate Brady Anderson, who will play right field in place of the injured Ken Griffey.

Lance Johnson of the Mets will lead off for the National League and play center, followed by Cincinnati shortstop Barry Larkin. San Francisco's Barry Bonds will play left and hit third. Atlanta first baseman Fred McGriff will hit cleanup and Los Angeles catcher Mike Piazza will hit fifth. Colorado's Dante Bichette will bat sixth, followed by Braves third baseman Chipper Jones and Houston second baseman Craig Biggio.



Duane Burleson/The Associated Press

The Tigers' second baseman Mark Lewis going for a double play after forcing out the Blue Jays' Shawn Green.

Dream Team Vs. Brazil: No Contest

By J.A. Adande
Washington Post Service

CLEVELAND — The rest of the world is slowly catching up to the United States in basketball ability, yet it's clear they have some way to go. And they certainly haven't made any progress when it comes to uniforms.

That was evident Sunday as the U.S. Olympic men's basketball team, in their ready-for-retail blue jerseys, thoroughly dominated the Brazilians in their yellow tops and green shorts, 109-68, in an exhibition game at Gund Arena.

As ugly as they were, the opposing jerseys seemed to bring out some of the best of Dream Team III, which put forth a lackadaisical effort and barely beat the U.S. select team of collegiate players Saturday.

"When we played the select team, we were like, 'These are our U.S. guys, these are our college guys' " the Dream Team's Gary Payton said.

Against Brazil the Dream Team came up with the defensive effort that was lacking Saturday with 16 steals and a 38-5 advantage in fast-break points.

The Dream Team's defense looked more a basic National Basketball Association de-sign: identify the other team's scorer and double-team him when he gets the ball. In this case it was Oscar Schmidt of Brazil, who will be playing in his fifth Olympiad in Atlanta. He is the top scorer in Olympic history. With the likes of Scottie Pippen guarding him, Schmidt still managed to score 21 points.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	52	33	.612	—
Baltimore	46	39	.541	6
Toronto	38	49	.437	15
Boston	36	49	.424	16
Detroit	27	61	.307	26½

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	52	35	.598	—
Chicago	50	37	.575	2
Milwaukee	43	43	.500	8½
Minnesota	41	45	.477	10½
Kansas City	38	50	.432	14½

WEST DIVISION

	W	L	Pct.	GB
Texas	57	36	.596	—
Seattle	46	39	.541	4
California	43	45	.489	8½
Oakland	43	45	.489	8½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	54	33	.621	—
Montreal	49	38	.563	5
New York	41	46	.471	13
Florida	40	47	.460	14
Philadelphia	37	49	.430	16½

CENTRAL DIVISION

	W	L	Pct.	GB
St. Louis	46	41	.529	—
Houston	47	42	.528	—
Cincinnati	39	43	.476	4½
Chicago	41	46	.471	5
Pittsburgh	39	48	.448	7

WEST DIVISION

	W	L	Pct.	GB
San Diego	48	41	.539	—
Los Angeles	47	42	.528	1
Colorado	42	44	.488	4½
San Francisco	38	48	.442	8½

SUNDAY'S LINE SCORES

AMERICAN LEAGUE

Chicago	010	000	000—1	6	1
Cleveland	102	010	20x—4	12	0

A.Fernandez, Sirotka (7), Sirocs (7), Darwin (8) and Karkovice; Ogea, Assenmacher (7), and S. Alomar. W—Ogea, 4-1. L—A. Fernandez, 8-5. HR—Chicago, Ventura (19).

Milwaukee	200	100	010—4	7	0
New York	000	000	001—1	9	0

McDonald, Lloyd (9), Fetters (9), and Matheny; Rogers, Wickman (7), Nelson (9) and Girardi. W—McDonald, 9-3. L—Rogers, 6-4. Sv—Fetters (16). HR—New York, T. Martinez (14).

Toronto	000	000	000—0	6	0
Detroit	412	000	20x—9	8	1

Ware, Castillo (5), Brow (6), Timlin (8) and S. Martinez; Lira and Ausmus. W—Lira, 6-7. L—Ware, 1-5. HRs—Detroit, Fielder (19), TClark (6).

California	102	201	030—9	16	1
Oakland	011	000	020—4	11	2

Bosio, McElroy (7), Grimsley (8), Percival (9) and Slaught; Johns, Reyes (6), Wilkinski (8) and Steinbach. W—Bosio, 9-3. L—Johns, 5-10. HRs—Oakland, McGwire (28), Stairs (3).

Seattle	000	000	102—3	8	1
Texas	026	030	30x—5	9	0

B.Wells, Suzuki (6), Minor (7) and Mazzone; Hill, Russell (8), and Rodriguez. W—Hill, 9-5. L—B. Wells, 9-2. HRs—Texas, J. Gonzalez (22), Newson (8).

Kansas City	320	000	300—8	9	0
Minnesota	101	000	000—2	10	1

Belcher, Jacome (8), Veiers (9) and Mackintosh; Aldred, Guardado (7), Trombley (7), Stevens (9) and GMyers. W—Belcher, 7-4. L—Aldred, 3-7. HR—Kansas City, K. Young (4).

Boston	200	002	003—7	10	1
Baltimore	001	000	22x—5	8	0

Gordon, Stanton (7), Hudson (8), Slocumb (9) and Stanley; Erickson, Myers (9), McDowell (9) and Hoiles. W—Hudson, 3-3. L—Myers, 0-2. Sv—Slocumb (17). HRs—Boston, Vaughn 2 (26). Baltimore, Anderson (30), Hoiles (12).

NATIONAL LEAGUE

St. Louis	001	010	000—2	4	0
Pittsburgh	300	050	00x—8	14	0

Morgan, Mathews (5), Parrett (7), Eckersly (8) and Scheaffer; Micell, Lieber (5), Plesac (8), Cordova (9) and Oslik. W—Lieber, 2-2. L—Morgan, 2-3. HR—Pittsburgh, King (21).

Houston	010	000	000—1	10	3
Atlanta	022	002	02x—9	19	1

Wall, Harman (4), X. Hernandez (6), Hastingraves (6), Wagner (7), Johnstone (8) and Wilkins; G.Maddux, Clontz (7), Borbon (9) and Perez. W—G. Maddux, 9-6. L—Wall, 6-1. HR—Atlanta, McGriff (20).

New York	001	001	001—3	8	2
Montreal	100	002	10x—4	8	0

Harnisch, DiPoto (7) and Hundley; Cormier, Rojas (9), and Fletcher. W—Cormier, 5-5. L—Harnisch, 4-6. HRs—New York, Hundley (23). Montreal, Fletcher (8).

Florida	100	200	010	3—7	8	1
Philadelphia	000	220	000	0—4	8	2

Weathers, Pall (5), Miller (6), Y. Perez (7), Te.Mathews (8), Nen (10), and Natal, C. Johnson (8); Springer, Blazier (5), Ryan (8), R.Jordan (9), Frey (10) and Santiago. W—Te.Mathews, 2-3. L—R. Jordan, 0-1. Sv—Nen (17). HR—Philadelphia, Zelle (13).

Colorado	001	000	020—3	5	0
Los Angeles	000	000	000—0	5	1

Ritz, Lastanio (8), Ruffin (9) and Je.Reed; Astacio, Radinsky (8), Park (9) and Piazza. W—Ritz, 10-5. L—Astacio, 4-7.

Cincinnati	020	200	002	000	0—4	14	0
Chicago	200	001	012	000	1—7	15	0

Schilling, Shaw (6), Smiley (8), Service (8), Le.Smith (9), Bunbo (10), J. Ruffin (12) and Taubensee. Oliver (6), Telemaco, Myers (4), Ballenfield (5), Adams (6), B. Patterson (9), Wendell (9), Slocum (10) and Servais, Hubbard (11). W—Slocum, 1-0. L—J. Ruffin, 1-3. HRs—Cincinnati, Taubensee (5), Howard (3).

San Francisco	000	300	000—3	7	1
San Diego	000	514	00x—10	10	1

Fernandez, Creek (4), M. Lieter (5), Dewey (6), Hook (8) and Manwaring; Valenzuela, Florie (7), Dishman (9) and Flaherty. W—Valenzuela, 5-6. L—Fernandez, 4-9. HRs—San Francisco, Thompson (5). San Diego, Henderson (7), Caminiti (12), Deer (2).

SOCCER

WORLD CUP QUALIFYING

Bolivia 6, Venezuela 1
Colombia 3, Uruguay 1
Peru 0, Argentina 0, tie

MAJOR LEAGUE SOCCER

Washington, D.C. 6, Dallas 1
Colorado 2, Columbus 1

STANDINGS: Eastern Conference — Tampa Bay 27 points; D.C. 19; NY-NJ 15; New England 13; Columbus 11; Western Conference — Los Angeles 32; Kansas City 23; San Jose 22; Colorado 22; Dallas 22.

INTERTOTO MATCHES
SUNDAY'S RESULTS

GROUP 1
Standard Liege (Bel) 2, Hapoel Haifa (Isr) 2

GROUP 2
Werd. Bremen (Ger) 3, Djurgard. IF (Swe) 2

GROUP 4
Zagle. Lubin (Pol) 3, Conwy Utd. (Wales) 0

GROUP 7
Ala.-Ata Minsk (Bel) 0, Antalyas. (Turk) 3

GROUP 9
FK Cukoricki (Yug) 1, Daugava (Latvia) 3

GROUP 12
FF Jaro (Fin) 2, Kalithea Poli (Georgia) 0

TENNIS

WIMBLEDON

QUARTERFINALS

MIXED DOUBLES

Mark Woodforde, Australia, and Larisa Neiland (1), Latvia, def. Patrick Galbraith, United States, and Pam Shriver (8), United States, 3-6, 6-2, 7-5.

Cyril Suk, Czech Republic, and Helena Sukova (7), Czech Republic, def. Luke Jensen, United States, and Nicole Arendt, United States 6-3, 2-6, 10-8.

SEMIFINALS

Mark Woodforde, Australia, and Larisa Neiland (1), Latvia, def. Christo Van Rensburg, South Africa, and Laura Golarsa, Italy, 6-3, 3-6, 6-2.

Cyril Suk, Czech Republic, and Helena Sukova (7), Czech Republic, def. Grant Connell, Canada, and Lindsay Davenport (2), United States, 6-4, 6-2.

FINALS

WOMEN'S DOUBLES

Martina Hingis, Switzerland, and Helena Sukova (2), Czech Republic, def. Meredith McGrath, United States, and Larisa Neiland (4), Latvia, 6-7, 7-5, 6-1.

MIXED DOUBLES

Cyril Suk, Czech Republic, and Helena Sukova (7), Czech Republic, def. Mark Woodforde, Australia, and Larisa Neiland (1), Latvia, 1-6, 6-3, 6-2.

BASKETBALL

OLYMPIC BASKETBALL

EXHIBITION MATCHES

United States 109, Brazil 68
Croatia 69, Lithuania 65

CYCLING

TOUR DE FRANCE

Leading results Monday in the Tour de France's ninth stage, a shortened 46-kilometer 28-mile) leg from Val d'Isere to Sestriere, Italy: 1, Bjarne Rils, Denmark, Telekom, 1 hour, 10 minutes, 44 seconds; 2, Luc Leblanc, France, Polti, 24 seconds behind; 3, Richard Virenque, France, Festina, 26; 4, Tony Rominger, Switzerland, Mapei, 28; 5, Miguel Indurain, Spain, Banesto, 28; 6, Udo Bolts, Germany, Telekom, 41; 7, Fernando Escartin, Spain, Kelme, 42; 8, Jan Ullrich, Germany, Telekom, 44; 9, Peter Luttenberger, Austria, Carrera, 46; 10, Abraham Olano, Spain, Mapei, 54.

OVERALL STANDINGS: 1, Rils, 42:51:13; 2, Yevgeny Berzin, Russia, Gewiss, 40 seconds behind; 3, Rominger, 56; 4, Olano, 56; 5, Ullrich, 1:37; 6, Luttenberger, 2:38; 7, Virenque, 3:39; 8, Indurain, 4:38; 9, Escartin, 4:49; 10, Laurent Dufaux, Switzerland, Festina, 5:03; 11, Piotr Ugrumov, Russia, Rosiaita, 5:27; 12, Leblanc, 7:08; 13, Alex Zulle, Switzerland, ONCE, 8:27; 31, Laurent Jalabert, France, ONCE, 25:52; 37, Chris Boardman, Britain, GAN, 32:08; 57, Claudio Chiappucci, Italy, Carrera, 48:59; 132, George Hincapie, United States, Motorola, 1hr16:46.

GOLF

WESTERN OPEN

Leading final scores and money winnings Sunday of the $2 million Motorola Western Open on the 7,073-yard, par-72 No. 4 Course at the Cog Hill Golf and Country Club in Lemont, Illinois (players U.S. unless noted:

Steve Stricker	65-69-67-69—270
Billy Andrade	69-71-69-69—278
Jay Don Blake	67-67-73-71—278
Jim Gallagher	74-68-70-67—279
Glen Day	70-71-69-69—279
Mike Brisky	74-67-68-70—279
Craig Parry	69-69-70-71—279
Vijay Singh	71-70-69-70—280
Justin Leonard	69-67-72-72—280
Steve Elkington	70-72-67-71—280

SENIOR OPEN

Leading final scores Sunday of the $1.2 million U.S. Senior Open on the 6,765-yard, par-72 Canterbury Golf Club course in Beachwood, Ohio:

Dave Stockton	70-67-67-73—277
Hale Irwin	72-71-69-67—279
Ray Floyd	70-73-69-68—280
Graham Marsh	69-74-70-69—282
Tony Jacklin	74-68-70-72—284
Jay Sigel	72-69-71-72—284
Bob Charles	66-72-73-74—285
Bruce Summerhays	73-69-74-70—286
John Bland	74-67-72-73—286
Walt Morgan	73-71-72-70—286

CRICKET

THIRD TEST

INDIA VS. ENGLAND, FINAL DAY

MONDAY, IN NOTTINGHAM, ENGLAND

India 1st innings: 521
England 1st innings: (overnight 322-1) 550 runs for 7 wickets (Atherton 160, Hussain not hurt 107, Ealham 51)

FOOTBALL

CFL Standings

EASTERN DIVISION

	W	L	T	PF	PA	Pts.
Hamilton	2	0	0	73	59	4
Toronto	1	1	0	63	62	2
Montreal	0	2	0	37	43	0
Ottawa	0	2	0	37	64	0

WESTERN DIVISION

	W	L	T	PF	PA	Pts.
Calgary	2	0	0	72	25	4
Edmonton	2	0	0	44	27	4
Saskatchewan	1	1	0	42	47	2
Winnipeg	1	1	0	37	61	2
British Columbia	0	2	0	36	53	0

FRIDAY'S RESULT

Edmonton 16, Montreal 13

SATURDAY'S RESULT

Winnipeg 25, British Columbia 22

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Signed 3B Ryan Minor. Signed RHP Brian Falkenberg and assigned him to Orioles, GCL.

KANSAS—Put RHP Mark Gubicza on 60-day disabled list. Recalled RHP Brian Bevil from Wichita, TL.

MILWAUKEE—Optioned OF Danny Perez to New Orleans.

NEW YORK YANKEES—Bought contract of OF Darryl Strawberry from Columbus, IL. Sent C Jorge Posada to Columbus. Moved RHP David Cone from 15-day to 60-day disabled list.

OAKLAND—Optioned LHP Steve Wojciechowski to Edmonton, PCL. Recalled RHP Jay Witasick from Huntsville, SL.

TEXAS—Signed 3B Derek Baker.

TORONTO—Optioned OF Mike Huff to Syracuse, IL.

NATIONAL LEAGUE

NL—Announced 3B Ken Caminiti of San Diego will be added to AS—Star roster, replacing injured 3B Matt Williams of San Francisco.

CINCINNATI—Recalled OF Curtis Goodwin from Indianapolis, AA. Optioned 1B Tim Belk to Indianapolis.

FLORIDA—Fired Rene Lachemann, manager, and Jose Morales, hitting coach. Named third base coach Cookie Rojas interim manager.

PHILADELPHIA—Put OF Glenn Murray on 15-day disabled list, retroactive to June 27. Bought contract of OF Ruben Amaro from Scranton/Wilkes-Barre, IL.

SAN DIEGO—Put RHP Andy Ashby on 15-day disabled list, retroactive to June 29. Recalled LHP Glenn Dishmeir from Las Vegas, PCL.

SAN FRANCISCO—Put Mark Gardner on 15-day disabled list. Recalled RHP Chris Hook from Phoenix, PCL.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

INDIANAPOLIS—Signed RB Brian Milne, DT Steve Martin, OT Keith Conlin, QB Mike Cawley and DB Adrian Robinson. Agreed to terms with QB Jim Harbaugh on 1-yr contract. Waived WR Flipper Anderson and TE Leon Wallace. Announced DE Jason Hunt did not report. Signed DE William Bennett.

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

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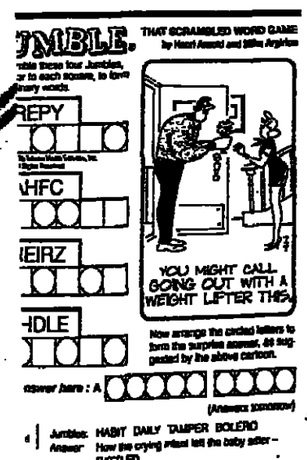
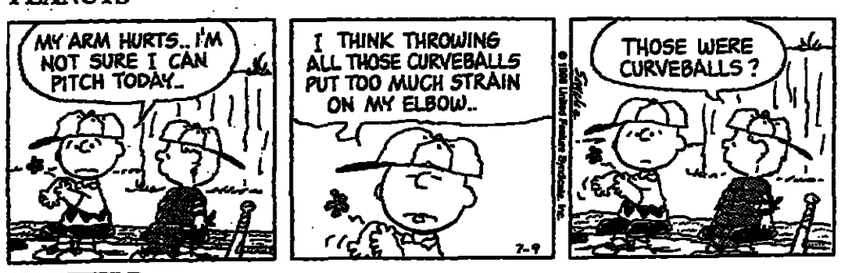
TENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

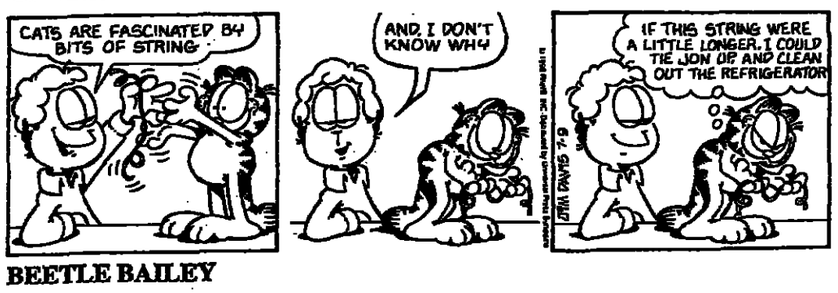


PEANUTS

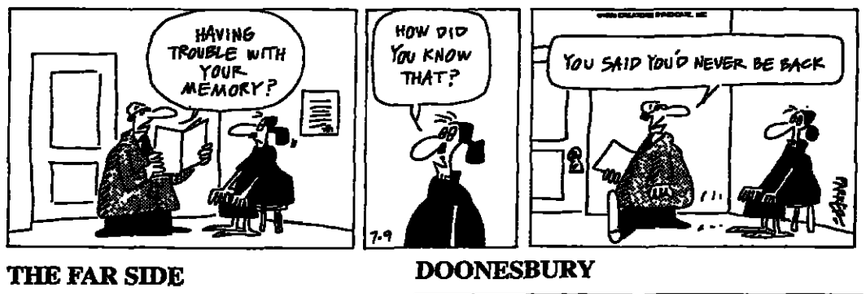


CALVIN AND HOBBES

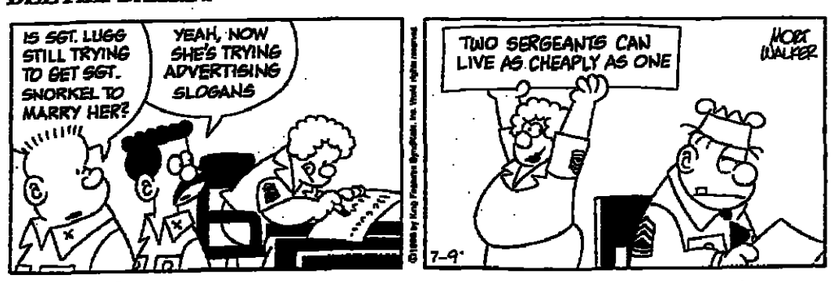
GARFIELD



WIZARD of ID



BEETLE BAILEY



THE FAR SIDE

Seconds later, Mrs. Norton was covered with ink.

DOONESBURY

BLONDIE

ART BUCHWALD

Ask President Dole

WASHINGTON — One of the reasons that we have presidential campaigns is to see how the candidates act under pressure. A good example of this is the way in which Bob Dole is handling the tobacco issue. Despite overwhelming scientific evidence to the contrary, Dole is sticking to the political philosophy that nicotine is not addictive, although for some it might be habit-forming.

Buchwald

The Dole position is that many things in our daily lives are bad for some people but O.K. for others. He cited milk as an example. "A lot of things aren't good. Drinking's not good. Some would say that milk is not good."

At the same time Dole doesn't want the federal government passing laws preventing people from smearing milk all over their lips if they want to. Many voters are concerned that, if elected, Dole may carry his laissez-faire attitude to every issue he is presented with.

"President Dole, how do you feel about nuclear waste?"

"Well, we know nuclear waste is not good for children. At the same time, I don't think that Washington should tell people whether they can have nuclear waste in their bathtubs or not."

"What should people do if they don't like it?"

"Just say 'no' to nuclear waste. Nobody is forcing people to bathe in it if they don't want to."

"President Dole, do you think that Bosnia is addictive?"

"Let's just say it's a habit. I personally don't believe that we should stop what we're doing in Bosnia, but there are other people who think we should."

"So what is the answer?"

"Leave Bosnia to the states. They know more about the Serbs and Croats than we do."

"President Dole, do you think that our airlines are safe?"

"Some are, some aren't. You don't want to throw out the baby with the bathwater. I am not as concerned about whether the planes are safe or not, but rather whether they should allow smoking on them again."

"Are you bringing back smoking on planes because you consider it healthy?"

"I say that if we are going to ban smoking on airlines, then we also ban coffee in Starbucks. My staff tell me that more people have problems from drinking cappuccino than from puffing on a Virginia Slim."

□

"How do you feel about guns, Mr. President? Do you believe that they are addictive?"

"Most people would say that they aren't. Handguns kill some people but they don't kill others. Why should we penalize those who own handguns and don't want to kill anyone just because there are others who will shoot a person to settle an argument?"

"What would you say to possession of semiautomatic weapons by pregnant women?"

"I don't believe that pregnant women should carry loaded weapons. At the same time many pregnant women are good shots, and owning a gun is a great way to pass the time."

Carl Hiaasen's Florida: Sex, Lies and Politics

By Mireya Navarro
New York Times Service

LOWER MATECUMBE KEY, Florida — The new house is unassuming, a plain, two-story concrete structure on stilts whose main selling points are on the outside — Florida Bay just a few steps from the back door, a view of mangrove keys across the water, the privacy provided by palm and gumbo-limbo trees.

Inside, Carl Hiaasen has had time to unpack some rattan furniture, his treadmill and some other essentials. He moved in four days earlier from a smaller house a few miles north in the Florida Keys. The walls are bare except for one or two family pictures and a large movie poster of a naked Demi Moore.

"Without you I would be nothing," the actress wrote. "Thank you for Erin."

Erin is the protagonist of "Striptease," the first of Hiaasen's best-selling novels to become a movie. "Striptease" opened to lukewarm reviews in the United States, but Hiaasen says he is not displeased with the movie. "I thought it was pretty funny. I can't complain. They kept the Vaseline scene, the cockroach scene and the snake scene. That's my contribution to culture this year."

Hiaasen, who also writes a column for The Miami Herald, said his interest in the nude entertainment industry came out of his curiosity about "the convergence of politics and sex" and why so many politicians get into sexual trouble.

For instance, less than two months ago, the U.S. attorney here resigned amid reports that he bit a nude dancer. "It's such an implausible scenario that even a gonzo hack like myself wouldn't try to sneak it past readers," Hiaasen wrote in his newspaper column a few days later.

His inspiration for the character in "Striptease" played by Burt Reynolds was J. Herbert Burke, a Republican congressman from Broward County who was arrested for disorderly conduct in a topless bar in 1978.

Kevin Moloney/The New York Times
A sign of "Striptease" success: writer Hiaasen in his new skiff.

Troubled or corrupt politicians — along with ignorant tourists, greedy builders, scam doctors and profit-makers with no affection for Florida or its environment except as a potential gold mine — populate Hiaasen's books. He is a crime novelist who uses surrealism and black comedy to make a political point.

Crime novels set in south Florida by James W. Hall, Elmore Leonard, Laurence Shames, Edna Buchanan and John Lutz practically constitute their own sub-genre within a larger, nationwide movement toward regionalism in crime fiction.

And now Hiaasen, who is 43 and recently divorced, is a new Hollywood darling. A schedule previously devoted to writing and fishing is now crammed with "Striptease" travel, photo shoots and premieres.

The trappings of success include a new four-wheel drive Ford Explorer and a new bonefish skiff. He was even asked his "Armani size" during a recent photo session with Moore for George magazine. Hiaasen said he didn't have a clue.

The novel he is currently working on, to be published by Alfred A. Knopf, sparked a studio bidding war that was finally won by Sony Pictures Entertainment. It is about a woman who wins $14 million in a lottery only to have her ticket stolen, and features "very nasty militia guys," the author said.

He is getting the kind of fame that could be dangerous to a satirist who claims he must stay angry to write, but Hiaasen seems unfazed.

"Unless I take up drugs, I don't really see how it'll change things," he said. "My only extravagance is fishing. Malibu is nice, but I didn't see any tarpon."

Protecting his fishing waters has fueled much of Hiaasen's writing about Florida Bay, a special ecosystem on the southern edge of the Everglades. "You understand why people come, but the fact is that this is an incredibly fragile tropical peninsula that is unsuitable for a population of four million people," Hiaasen said.

In Plantation, Florida, the cow pastures where he caught snakes as a boy have been transformed into malls. Florida Bay, where he has fished since he was 5 or 6 with his father and grandfather, is thirsty for the water that has been diverted to city reservoirs and swimming pools.

Hiaasen, the oldest of four children, graduated with a degree in journalism from the University of Florida at Gainesville in 1974. Hiaasen joined the Herald as a general assignment reporter in Broward County in 1976. He then moved to the newspaper's Sunday magazine and later worked on special projects before he became an investigative reporter.

It was as a member of the investigative team that he got together in 1981 with another reporter, William D. Montalbano, to write "Powder Burn," published by Atheneum, about the drug trade in Florida.

Hiaasen became a columnist in 1985. One of his most blistering pieces came in 1992 after Hurricane Andrew, the nation's most expensive natural disaster but one that Hiaasen attributed to his usual villains — the politicians, developers and building lobbyists who allowed shoddy construction.

"So much preventable damage, so much unnecessary misery," he wrote. "It's not the storm of the century, it's the crime of the century."

But even as a columnist he is limited to chronicling and exposing. Fiction unshackles him. He can right the wrong. This he does, writing happy endings like those in which a retiree is eaten by a crocodile. He creates characters he would argue are farfetched only outside South Florida: a man who juggles human skulls and a jet-ski rider wearing nothing but underwear and a submachine gun.

It is the kind of world that has attracted fans as disparate as President Clinton, the writer Toni Morrison and the rock musician Warren Zevon, with whom Hiaasen ended up writing lyrics for two songs, "Seminole Bingo" and "Rottweiler Blues" ("If you come calling, he'll be mauling with intent to maim"). The songs appear on Zevon's 1995 album "Mutineer."

Hiaasen's story lines are messy, and earlier attempts to make movies out of them failed. Andrew Bergman, the screenwriter and director for "Striptease," said the books were tough to adapt because it was difficult "to get the tone right."

"The characters are so extreme and the situations on the page are hilarious, but on the screen they are grotesque or too violent or logistically too difficult," he said.

In its first weekend, the movie took in $12.3 million, a respectable showing, but not fantastic.

If anything, Hiaasen has become more private and reclusive over the years, friends say. He is buying the lot next door to avoid neighbors. He has a girlfriend, a 34-year-old college student, but lives alone.

From his private dock, Hiaasen can now take his 17-foot skiff out anytime and survey the bay's condition — "clear as gin" on good days, milky and "yucky green" on bad ones. The experience is like sitting by the bedside of a dying friend. "I can wake up in the morning and almost take the pulse of the place," he said. "Being this much closer to it keeps you at a much sharper emotional level."

PEOPLE

Sherwin Crasto/AP
DEVI — The actress Tara Devi dancing in a Bombay parade to mark 100 years of Indian cinema.

THE divorce hangs on a secrecy clause: Unless she signs an agreement never to reveal anything about her stormy 15-year marriage, **Princess Diana** will be stripped of her title, the British press reports. "This is the final offer. No deal — no HRH," the Sun quoted a unnamed source as saying. The Times said the princess had lunched with the **Duchess of York** to seek guidance on the terms offered last week by **Prince Charles**. The settlement is reportedly worth about £20 million ($31 million). Fergie's nine-year marriage to **Prince Andrew** ended this year after she agreed to a £2 million settlement and to relinquish the title "Her Royal Highness" and the social standing that goes with it. Diana, 35, is reportedly reluctant to relinquish her title.

□

Women are "so stupid," reflects **Dame Barbara Cartland** on the audience that has purchased the vast majority of the 650 million books she has sold to make her the world's best-selling author. "Blah, blah blah, all day long," she told the Daily Telegraph. "No wonder the husbands get sick of it." Cartland, who turns 95 on Tuesday, is still cranking out a new title every two weeks. She has published nearly 600 books. The author says she is not thinking about retiring. "I'm going to be 95 and here I am without a single line on my body," she said. "It's a miracle. I often think I should be photographed naked." Over her long life, Cartland received, by her count, 56 serious marriage proposals and said "Yes" twice, but never to the man of her dreams, the **Duke of Sutherland**. "He was sweet," she said, "but already married."

□

The actress and model **Margaux Hemingway**, who was found dead in her California apartment last week, has been buried in the same Ketchum, Idaho, cemetery where her famous grandfather, **Ernest Hemingway**, lies. Only close friends and relatives attended as Hemingway, 41, was laid to rest. Hemingway began her career 20 years ago as a model and then became a film actress. She had numerous health problems, including eating disorders and alcoholism. An autopsy revealed no foul play. Toxicological test results are due later this month.

□

Former President **Jimmy Carter** and his wife, **Rosalynn**, had a quiet get-together Sunday in Plains, Georgia. The occasion: 50 years of marriage.

□

Alan Alda and **Olympia Dukakis** were among guests at the opening in the Czech Republic of one of the world's oldest film festivals. The Karlovy Vary International Film Festival, founded in 1946, is featuring more than 200 films, with **Gregory Peck** receiving a lifetime achievement award at closing ceremonies Saturday in the resort town.

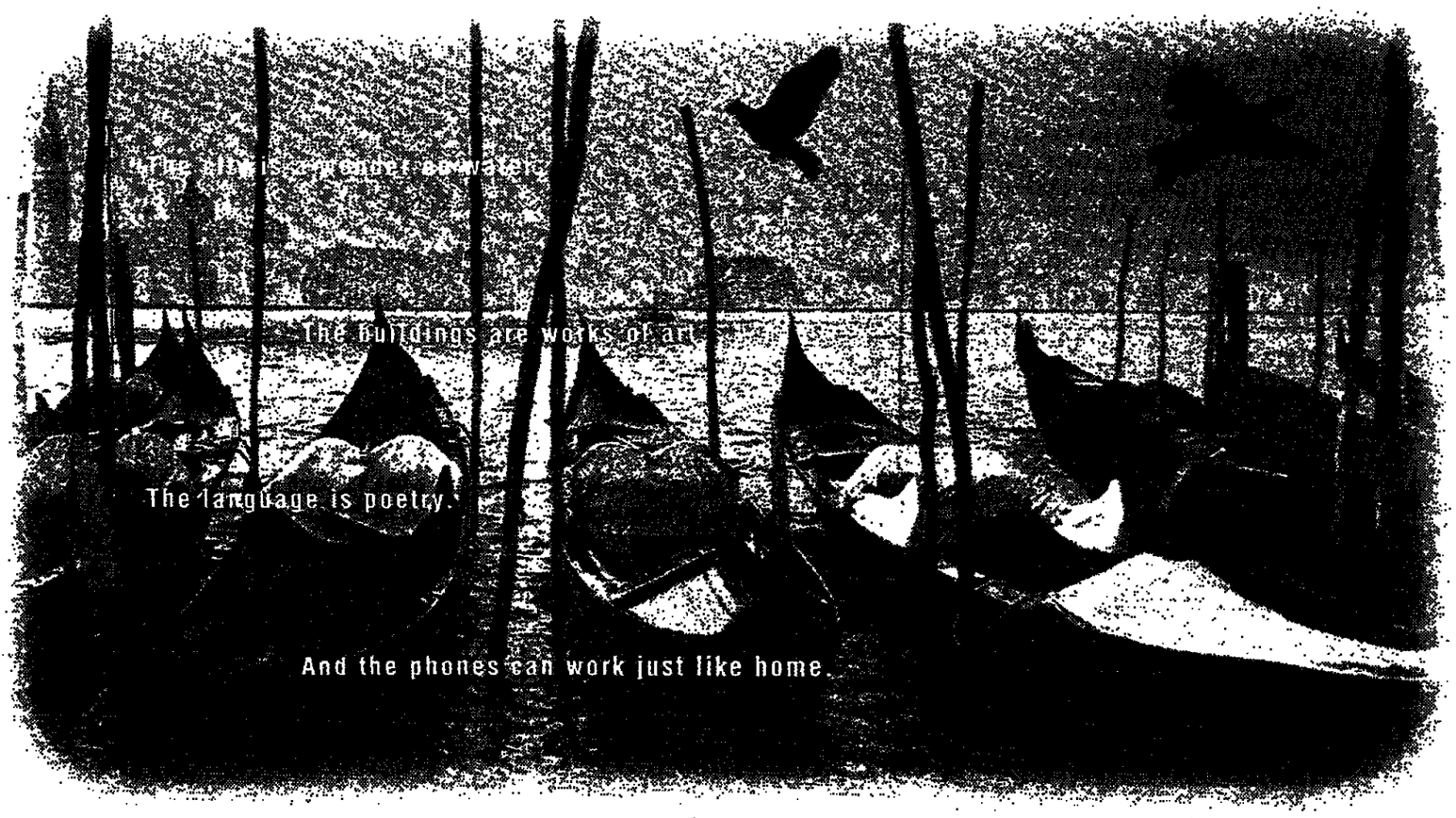
□

Woody Allen has often called on **Dick Hyman**, the Emmy Award-winning jazz pianist, to do the music for his films, among them "Hannah and Her Sisters," "Bullets Over Broadway" and "Mighty Aphrodite." So when Hyman invited Allen to play the clarinet in his "Jazz in July" series in New York City, how could he refuse? Hyman says that working with the brooding writer-actor-director is easy: "Maybe with music, he is less complicated." Allen's New Orleans Jazz Band will be in the final concert, which is already sold out, on July 25.

□

Here's the scoop: a giant inflatable carton of ice cream, borne along in London in a Roman-style chariot, with Americans Ben and Jerry and a woman draped in a British flag. It was **Ben Cohen** and **Jerry Greenfield**, founders of the ice cream company, and **Sarah Moynihan-Williams**, winner of their competition to design a new British ice cream flavor. Her entry: "Cool Britannia," which combines vanilla ice cream with strawberries, Welsh honey and a British chocolate-covered shortbread. It defeated 7,500 other entries, including "Choc Ness Monster," "Cream Victoria," "Minty Python," "Goodbye Gooseberry Chewsday" and, of course, "Charles and Diana Split."

Chris Maynard/AP
DIVA — Yoko Ono performing in Central Park, accompanied by Sean Lennon and his band IMA.



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A business trip abroad can be a wonderful, exciting experience, but trying to do business there is different from doing business at home. It's not just language and customs, there's the difficulty of making calls. Well relax, because you can always rely on us. Simply dial the AT&T Access Number for the country you're calling from, and we'll take it from there. You can always count on getting an operator who speaks English, because ours are available 24 hours a day. So take it easy, have another cappuccino. You'll always be able to get the fastest, clearest connections on calls to the U.S. from almost anywhere in the world with the AT&T Network. Best of all, you can do it at prices you can trust. Ah, la dolce vita! *That's Your True Choice.℠ AT&T.*

Steps to follow when calling internationally from overseas:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial the calling card number listed above your name.

AT&T Access Numbers

EUROPE			
Austria ● ▫	022-903-011	Ireland	1-800-550-000
Belgium ●	0-800-100-10	Italy ●	172-1011
Czech Republic ▲	00-42-000-101	Netherlands ●	06-022-9111
Denmark	8001-0010	Russia ● ▲ (Moscow) ◗	755-5042
France	19-0011	Spain ◇	900-99-00-11
Germany	0130-0010	Sweden	020-795-611
Greece ●	00-800-1311	Switzerland ●	0-800-550011
		United Kingdom ▲	0500-89-0011

MIDDLE EAST	
Egypt ● (Cairo) ▼	510-0200
Israel	177-100-2727
Saudi Arabia ◇	1-800-10
U.Arab Emirates ● ▫	800-121
AFRICA	
Ghana	0191
Kenya ▲	0-800-10
South Africa	0-800-99-0123

Can't find the access number for the country you're calling from? Just ask any operator for AT&T Direct℠ Service.

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To get a live credit card transaction, at the audible tone, enter ... When calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge. Depending on where you're calling from, you may hear a recording in English or an announcement in the local language before your call is connected. Public phone may require deposit during call. ▫ Country-to-country calls can only be placed from countries. ©1996 AT&T